

MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF TIRE COMPANY DEBICA S.A. IN 2023



Prepared pursuant to § 70 of the Decree of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-Member State.

Table of contents

Letter from the President of the Management Board	4
Selected financial data (in thousands of PLN)	6
1. Comments on the financial performance	7
1.1. Net sales income and financial position	7
At the end of 2023. The Company had financial lease liabilities of PLN 11.6 million.	9
1.2. Sales by value broken down by domestic market and exports	9
1.3. Share of the product group in total sales.....	9
1.4. Investment and expected growth	10
1.5. Situation in the tire industry.....	11
2. Financial risk management.....	12
2.1. Credit risk	13
2.2. Liquidity risk.....	13
2.3. Exchange rate risk	13
2.4. Interest rate risk.....	13
2.5. Market risk	13
2.6. Risks related to disruption of production operations	14
2.6.1. The impact of the political and economic situation in Ukraine	14
2.6.3. Impact of the economic situation in Europe on the industry, the Company's business partners and consumer behavior	14
2.6.4. Production hall fire	14
3. Ensuring business continuity	14
3.1. Business Continuity Team.....	14
3.2. Reduction of tire production.....	15
3.3. Monitoring the market situation.....	15
3.4. Monitoring the supply chain of materials and services.	15
3.5. Securing the Company's long-term financial stability.....	15
3.5.1. Protection of financial liquidity.	15
3.5.2. Monitoring the status of loans	15
3.5.3. Repayment of receivables by customers	15
3.5.4. Cost optimization	15
3.6. Continuation of sales and distribution activities	15
4. Corporate Governance	16
4.1. A set of corporate governance rules.....	16
4.2. Best Practice for the WSE Listed Companies 2021.....	16

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

4.2.1.	Information on withdrawal from the provisions of the "Best Practice for the WSE Listed Companies 2021"	16
4.3.	Shares and shareholding.....	21
4.3.1.	Shareholding structure and changes.....	21
4.3.2.	Special control powers and restrictions on voting rights and transfer of securities.....	21
4.3.3.	Dividend.....	22
4.4.	Statutes and Statutory Authorities.....	22
4.4.1.	Amendment of the Articles of Association.....	22
4.4.2.	Board	22
4.4.3.	Supervisory board.....	24
4.4.4.	The manner in which the General Meeting of Shareholders operates and its essential powers, as well as a description of the rights of shareholders and how they are exercised	29
4.4.5.	Choosing an audit firm	30
4.4.6.	Internal control and risk management systems for the processes of preparing financial statements.....	30
4.4.7.	Diversity policy	31
5.	Non-financial statement.....	31
5.1.	A concise description of the business model of Tire Company Dębica S.A.....	31
5.1.1.	Operations and business environment	31
5.1.2.	Development strategy – main goals, mission and values	34
5.1.3.	Other information	37
5.2.	Management of risks related to the company's operations that have an impact on non-financial issues	38
5.2.1.	Description of the management of material risks related to the Company's operations affecting non-financial issues	38
5.2.2.	Description of managing relations with individual stakeholder groups.....	40
5.3.	Non-financial performance indicators related to the operations of Tire Company Dębica S.A.	42
5.4.	Description of the different policies, due diligence procedures and results	42
5.4.1.	General assumptions of the Company's activities in the area of sustainable development	42
5.4.2.	Description of the entity's due diligence policies and procedures in relation to:	43
5.5.	Compliance with the European Union Taxonomy	62
5.6.	Principles on the basis of which the non-financial statement was prepared	63
6.	Other information	63

Letter from the President of the Management Board

Dear Shareholders,

I would like to present you with the Annual Report of Tire Company Dębica SA for the financial year 2023. It was a year of intertwining successes and challenges, however we, as a Company, once again proved that our business is in good shape and that the management board makes the right decisions while safely navigating in challenging market conditions. This is confirmed by the result achieved by FO Dębica SA in 2023, with a net profit of PLN 284,4 million, which is a fourfold increase compared to 2022. Good financial results and reserves allowed us to maintain a stable financial situation of the Company.

2023 is another year in a series of unprecedented challenging years, in which we continued to face disruptions in the availability of raw materials resulting from the war in Ukraine and the conflict in the Middle East. Thanks to efficient raw material sourcing processes, as well as constant monitoring of supply chains, our production operations have not been affected by these challenges.

In August, the factory experienced a fire in part of the passenger tire production facility. The loss of production capacity translated into lower sales to a related party and brought additional costs, adversely affecting revenues and costs in the second half of 2023. However, this event showed the strength of the entire crew, as well as the strength of their relationship with the local community. Thanks to the commitment of the entire factory team and the extremely efficient firefighting action carried out by the State and Volunteer Fire Brigades, the fire was efficiently controlled, no one was hurt and the natural environment was not contaminated. I am convinced that despite the losses resulting directly from the fire, the reconstruction and related investments will strengthen our position on the market and contribute to the further rapid development of the Company.

The year 2023 is not only about challenges, but also successes. The tires introduced by the Company to the market are constantly popular among drivers, which is confirmed by the result of this year's [summer tire test](#)¹ by the prestigious German institution ADAC, which awarded Dębica Presto UHP 2 a high, fourth place, appreciating it in particular for its safety in driving on dry surfaces, good predicted mileage, low abrasion, low tire weight and low fuel consumption. Last year's tests of various tire models from the Goodyear portfolio, manufactured at the Dębica plant, also received high ranks.

Our successes have also been confirmed by a high score in the "Golden Hundred of Subcarpathian Companies" ranking, in which we were ranked fourth place on the list of the largest enterprises in Podkarpackie voivodship.

In response to the new legal requirements related to reporting under the CSRD Directive, the Company is preparing to release an ESG report for 2025. TC Dębica SA is among the companies that will be the first to submit a new version of the ESG report next year. The advanced work covers the areas of environmental protection, social responsibility and corporate governance and provides the basis for the presentation of validated data in a way that allows for a fair comparison of indicators. I am convinced that the new ESG reporting will enable us to better communicate the Company's commitment to sustainability, risk management and social responsibility, strengthening our market position.

¹ 2024 ADAC summer tyre test: 16 tyres in size 215/55 R17 compared

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

In 2023, the Company continued to support the classes of the Dębica branch of the Children's University of Technology, inspiring school students to choose their future career path. We also maintained cooperation with the Association of Parents and Disabled People "Radość", which in the building owned by the Company develops one of the many branches of its activity and in the autumn opened a cinema employing people with disabilities. Together with our employees, we also celebrated the 125th anniversary of our strategic partner, The Goodyear Tire & Rubber Company, already thinking about the 85th birthday of Dębica plant in 2024 and wishing you, the Shareholders, as well as all those involved in the operation and development of the Company, all the best for the anniversary.

Yours sincerely,

Ireneusz Maksymiuk

The President of the Management Board

Selected financial data (in thousands of PLN)

Selected financial data	PLN		EUR	
	2023	2022	2023	2022
Net sales of products, merchandise and materials	2 992 411	3 277 965	660 810	699 180
Operating profit (loss)	322 193	78 571	71 149	16 759
Gross profit (loss)	352 718	91 610	77 890	19 540
Net profit (loss)	284 353	72 597	62 793	15 485
Net cash flow from operating activities	376 696	186 033	83 185	39 680
Net cash flow from investing activities	-204 587	-192 283	-45 179	-41 013
Net cash flow from financing activities	-59 399	-37 037	-13 117	-7 900
Total Net Cash Flow	112 710	-43 287	24 890	-9 233
Total assets	2 430 966	2 214 744	559 100	472 237
Liabilities and provisions for liabilities	999 514	1 013 125	229 879	216 023
Long-term liabilities	7 038	5 222	1 619	1 113
Current liabilities	862 786	896 797	198 433	191 219
Shareholders' equity	1 431 452	1 201 619	329 221	256 214
Share capital	110 422	110 422	25 396	23 545
Number of shares (pcs.)	13 802 750	13 802 750	13 802 750	13 802 750
Earnings (loss) per ordinary share (PLN/EUR)	20,60	5,26	4,55	1,12
Diluted earnings (loss) per ordinary share (PLN/EUR)	20,60	5,26	4,55	1,12
Book value per share (PLN/EUR)	103,71	87,06	23,85	18,56
Diluted book value per share (PLN/EUR)	103,71	87,06	23,85	18,56
Dividend declared or paid per share (PLN/EUR)	3,95	2,32	0,91	0,49

1. Comments on the financial performance

1.1. Net sales income and financial position

Net sales income:

In 2023, sales revenues amounted to PLN 2,992.4 million and were lower by 8.7% compared to sales revenues generated in 2022.

In 2023, the sale of Tire Company Dębica S.A. to related entities generated revenues of PLN 2,722.5 million compared to PLN 2,921.6 million in the previous year. This is lower by PLN 199.1 million and 6.8% year to year. Sales to Goodyear Group entities for 2023 accounted for 91.0% of total sales, compared to 89.1% in the previous year. Revenues from sales to unrelated entities amounted to PLN 269.9 million and decreased by 24.3% year to year.

The gross profit margin on sales to related parties in relation to revenues in 2023 was 12.6% compared to 2.7% in 2022. The gross profit margin on sales to unrelated entities in relation to revenues decreased from 7.5% in 2022 to 1.1% in 2023.

Total gross profit on sales for 2023 amounted to PLN 345.5 million and was higher by PLN 239.1 million compared to 2022.

Financial position

Unit cost of production for the four quarters of 2023 was higher by 1.6% compared to the same period of the previous year, with the unit cost of direct materials decreasing by 8.9%, as a result of a decrease in the prices of synthetic rubber and carbon black. On the other hand, unit processing cost in 2023 was higher by 26.6% compared to 2022 due to an increase in utility prices (gas: 12% and electricity: 59%), the impact of inflation on the prices of spare parts and consumables, as well as a reduction in production as a result of a production hall fire.

Sales and general administrative expenses for 2023 amounted to PLN 24.6 million compared to PLN 26.7 million in the previous year. The share of these costs in the value of sales revenues remained at the same level of 0.8% as in 2022.

Result on other operating activities in 2023 was an income of PLN 1.3 million compared to a cost of PLN 1.2 million in 2022.

This result on other operating activities was influenced by the following elements:

- a) other other operating costs and revenues, which in total generated revenue of PLN 4.7 million and was PLN 5.6 million higher than in the same period last year. This figure was mainly composed of costs and revenues related to the fire in a part of the production hall. Costs amounted to PLN 103.7 million and were related to the liquidation of destroyed fixed assets (PLN 29.9 million), unused production capacity (PLN 54.8 million), removal of the effects of the fire (PLN 19.0 million), and were reduced by income from the sale of scrap metal after the fire (PLN 0.9 million) and the recognition of due compensation for the fire (PLN 108.7 million),
- b) creation of a provision for restructuring in the amount of PLN 4.0 million, while in 2022 such provision amounted to PLN 0.7 million;
- c) profit on the sale of fixed assets in the amount of PLN 0.5 million, while in the previous year the profit amounted to PLN 0.4 million;

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

d) income from bad debts in the amount of PLN 0.1 million, while in the previous year there was no such position.

Operating profit for 2023 amounted to PLN 322.2 million compared to PLN 78.6 million in the previous year. This is PLN 243.6 million more. The operating profit margin in relation to revenue increased to 10.8% from 2.4% last year.

Financial activities in 2023 generated a profit of PLN 30.5 million compared to a profit of PLN 13.0 million in the previous year.

Interest on the loan granted to related parties generated revenue of PLN 35.9 million, PLN 6.3 million more than in 2022.

In 2023, financial income from free cash flow amounted to PLN 5.8 million, compared to PLN 2.5 million in the previous year.

The costs of discounting bills of exchange and other interest amounted to PLN 3.7 million, i.e. PLN 1.4 million less than in the previous year.

Foreign exchange differences generated a cost of PLN 7.5 million, while in the previous year the cost amounted to PLN 14.1 million.

Gross profit before tax for 2023 amounted to PLN 352.7 million, which is PLN 261.1 million more than in the previous year.

The current part of income tax amounted to PLN 57.1 million. The deferred part of income tax amounted to PLN 11.3 million. Thus, the total income tax amounted to PLN 68.4 million.

The effective tax rate for 2023 was 19.4%.

In 2023, Tire Company Debica S.A. generated a net profit of PLN 284.4 million, compared to PLN 72.6 million for 2022.

The above-mentioned financial results for 2023 were influenced by:

- higher sales prices in transactions with related parties in the first half of this year, including a reflection of the impact of the increase in the costs of raw materials and energy in November and December 2022 caused by inflationary factors that were included in the calculation of prices applied in the first quarter of 2023, which had a positive impact on profit,
- a significant decrease in the costs of raw materials and energy incurred since the second quarter of 2023, compared to the costs assumed in the calculation of prices used in transactions with related parties in this period, which had a positive impact on profit,
- fire, as a result of which the Company lost part of its production capacity, which translated into lower sales to a related party and incurred an additional cost of unused production capacity, costs of remedying the effects of the fire as well as costs of liquidated fixed assets, which had a negative impact on revenues and costs in the second half of 2023. At the same time, the Company recognized the compensation due for the fire in other operating income, which offset the negative impact of the fire on the financial result.

At the end of December 2023, non-current assets amounted to PLN 854.3 million and increased by PLN 23.7 million during the year. Intangible assets amounted to PLN 8.8 million. Property, plant and equipment increased by PLN 18.1 million compared to 31 December 2022 and amounted to PLN 821.0 million. Capital expenditures for 2023 amounted to PLN 142.4 million, and depreciation of existing fixed assets amounted to PLN 97.6 million. Deferred tax assets amounted to PLN 24.4 million compared to PLN 20.6 million as at 31 December 2022.

Current assets amounted to PLN 1,576.7 million and increased by PLN 192.6 million during the four quarters of 2023. Current receivables amounted to PLN 562.3 million and decreased by PLN 21.2 million

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

(including: receivables from related entities decreased by PLN 11.9 million, receivables from other entities decreased by PLN 9.4 million). As at the balance sheet date of 31 December 2023, inventories remained stable at PLN 131.5 million.

Short-term financial assets increased by PLN 212.7 million in 2023 and amounted to PLN 879.7 million. The value of loans granted to related parties amounted to PLN 700.0 million, an increase of PLN 100.0 million compared to 31 December 2022, cash on bank accounts increased by PLN 112.7 million.

Short-term accruals increased by PLN 0.7 million and as at the balance sheet date of 31 December 2023 amounted to PLN 3.1 million.

The Company's assets as at 31 December 2023 amounted to PLN 2,431.0 million and increased by PLN 216.2 million over the four quarters.

As at 31 December 2023, liabilities and provisions for liabilities amounted to PLN 999.5 million and decreased by PLN 13.6 million in 2023. Provisions for liabilities increased by PLN 18.6 million, with the deferred tax provision increasing by PLN 15.0 million, while other provisions increased by PLN 3.6 million.

Short-term liabilities decreased by PLN 34.0 million, of which liabilities to related entities increased by PLN 25.5 million and to other entities decreased by PLN 60.0 million, while special funds increased by PLN 0.5 million.

At the end of December 2023, the Company's equity amounted to PLN 1,431.5 million and increased by PLN 229.8 million compared to the same period last year. There was an increase in the reserve capital by PLN 18.1 million, i.e. by 25% of the profit generated for 2022. The net profit of the current year is higher than the profit of 2022 by PLN 211.8 million.

In 2023 The Company has fulfilled its obligations on an ongoing basis and as at the date of the financial statements for 2023, no material risks have been identified in the timely performance of its obligations in the future.

Financial Instruments

As of the end of 2023 The company had financial assets available for sale, i.e. shares in foreign entities worth PLN 101 thousand.

In 2023 The Company granted five short-term loans to Goodyear S.A. with its registered office in Luxembourg with a total value of PLN 700 million.

At the end of 2023. The Company had financial lease liabilities of PLN 11.6 million.

1.2. Sales by value broken down by domestic market and exports

In 2023, the Company's sales amounted to PLN 2,992.4 million and were lower by PLN 285.6 million compared to 2022. PLN (i.e. by 8.7%). Sales to foreign markets amounted to PLN 2,722.3 million and accounted for 91.0% of the total sales value, of which 96.6% were sales to Goodyear with its registered office in Luxembourg. The value of sales to the domestic market amounted to 9.0% of total sales revenues.

In 2022, sales to foreign markets accounted for 89.1% and to the domestic market for 10.9% of the total sales value.

1.3. Share of the product group in total sales

Tire Company Debica S.A. is a manufacturer of tires for passenger cars, vans and trucks. It offers a wide range of products tailored to the diverse needs of customers, related to:

- changeable weather conditions – the offer includes both summer, winter and all-season tires,
- different surfaces,

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

- driving style (long or short distances, calm or dynamic driving),
- car brand – the Company provides tires for the original equipment of cars of leading automotive brands,
- financial capabilities (economy, mid-range or premium class).

The company manufactures tires under its own Debica brand as well as other brands belonging to the Goodyear group, among others Goodyear, Dunlop, Fulda, Sava. The company is also a manufacturer of vulcanizing membranes for tire production.

	Volume sales in thousand pieces	Sales by value in PLN thousand	Share of sales value	Change in sales quantity 2023 vs 2022	Change in sales value 2023 vs 2022
Passenger cars, vans, trucks and industrial tires	13 665	2 671 319	89,3%	-19,9%	-11,0%
Other sales		321 092	10,7%		16,6%
Total	13 665	2 992 411	100,0%	-19,9%	-8,7%

1.4. Investment and expected growth

Capital expenditures in 2023 amounted to PLN 142,382 thousand and focused mainly on:

- a) purchase of machinery and equipment that allows the factory in Debica to manufacture technologically advanced products and ensure the highest quality of production;
- (b) actions taken to achieve savings, improve production efficiency, meet health and safety, fire protection and environmental protection requirements;
- (c) purchase and modernization of production equipment;
- (d) reconstruction of production capacity after the fire.

Capital expenditures and further development of the product offering in 2023 allowed the company to continue its strategy of ensuring sustainable business growth while developing the brand. The Company does not expect any problems with financing capital investments in 2024. The Company's own funds generated from operating activities allow for safe financing of the investment plans planned for 2024.

Anticipated development

Tire Company Debica S.A. expects to develop its business based on further development of the production of high-quality tires for passenger cars, vans and trucks, taking advantage of the strategic cooperation with the Goodyear Group, which has been the largest recipient of the Company's products for many years.

Tires for passenger cars

Thanks to the undertaken investments, Tire Company Debica S.A. is increasing its production capacity of premium tires with increasingly larger seat diameters, i.e. 17 inches and above with high and very high speed indexes, which are among the most profitable segments of the tire market. The production of tires aimed at original equipment, which are used in new cars of the world's largest automotive brands, is also being developed. Combined with the production of a wide range of sizes and brands of tires of other sizes, for which there is still a visible demand, the Company is able to respond to the challenges of the dynamically changing passenger car tire market.

Truck tires

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

In response to the market demand for technically advanced, high-quality truck tires, Tire Company Dębica S.A. modernizes and develops its production capacity in this segment, offering a wide range of sizes and brands. The investment funds allocated in recent years to increase the production capacity of truck tires have allowed the Company to expand its range of products in order to ensure the Company's market competitiveness.

Characteristics of external and internal factors relevant to the Company's development:

Internal factors:

- a) high quality standards – developing the ability to produce the highest quality tires for cars, vans and trucks;
- b) extensive product portfolio – expanding the product range with new sizes and models of tires;
- c) technologies used – the use of technological solutions that meet the growing requirements of customers and market expectations;
- d) optimization of production – carrying out activities aimed at the most advantageous use of production capacity while maintaining the highest standards of employee safety and product quality;
- e) providing qualified staff – taking care of the appropriate level of employment and the development of employee qualifications.

External factors:

- a) macroeconomic situation – the state of the global economy and its impact on the financial situation of customers and consumers;
- b) development of the automotive industry – dynamics of car production and sales;
- c) competitiveness of the industry – responding to the challenges related to the growing competitiveness of the tire industry;
- d) operating costs – the impact of costs related to the operation of a production plant;
- e) costs of raw materials – changes in the prices of raw materials, which translate into the Company's operating costs.

1.5. Situation in the tire industry

European market: The European Tire and Rubber Manufacturers Association (ETRMA) indicated that tire sales in Europe declined in all market segments – with the exception of consumer tires, where winter weather conditions boosted sales of all-season and winter tires. In 2023, each product category saw a negative trend compared to 2022. The most affected segments are replacement agricultural tires (-30%), truck and bus tires (-17%), motorcycle tires (-11%) and consumer tires (-8%). "The data confirms the negative trends observed since June 2022. These results are the result of a decline in demand, driven by inflationary costs of raw materials, energy and wages, as well as a reduction in inventories in distribution channels," said Adam McCarthy, Secretary General of the European Tire and Rubber Manufacturers' Association (ETRMA). ²

² [European replacement tyre sales continue negative trend in last quarter of 2023 - ETRMA](#) access: 19.02.2024

SPRZEDAŻ OPON W EUROPIE 2023		ZMIANA %
 OPONY OSOBOWE		-8% ↓
 CIĘŻAROWE		-17% ↓
 ROLNICZE		-30% ↓
 MOTOCYKLOWE		-11% ↓

DANE: PZPO, ETRMA



Source: <https://pzpo.org.pl/czwarty-kwartal-przyniosl-nadzieje-na-rynku-sprzedazy-opon/>

Polish market: In 2023, tire sales declined in all segments except motorcycles, where sales remained stable. In the case of tires for cars below 3.5 T GVW, sales fell by -14%, including -13% for passenger cars, -13% for SUVs, and -28% for vans. In the segment of agricultural machinery, the decreases amounted to as much as -47%, industrial -28%, and to trucks -36%. Sales of summer tires (-24.3%) and winter tires (-11.9%) fell sharply, while a slight increase was recorded in the all-season tire segment (+1.8%).³

SPRZEDAŻ OPON W POLSCE 2023		ZMIANA %
 OSOBOWE (W TYM SUVY I DOSTAWCZE)		-14% ↓
 NIE-SUV		-13% ↓
 SUV		-13% ↓
 LEKKIE DOSTAWCZE		-28% ↓
 CIĘŻAROWE		-36% ↓
 ROLNICZE		-47% ↓
 MOTOCYKLOWE		0,0%
 PRZEMYSŁOWE		-28% ↓

DANE: PZPO, ETRMA



Source: <https://pzpo.org.pl/czwarty-kwartal-przyniosl-nadzieje-na-rynku-sprzedazy-opon/>

2. Financial risk management

As part of the financial risk management policy, Tire Company Dębica S.A. identifies the following risks and has adopted the following objectives and methods of risk management.

Non-financial risks are described in the chapter entitled "Management of risks related to the Company's operations affecting non-financial issues" in the "Non-Financial Information Statement for 2023", which is a separate part of this report.

³ <https://pzpo.org.pl/czwarty-kwartal-przyniosl-nadzieje-na-rynku-sprzedazy-opon/> accessed: 19.02.2024

2.1. Credit risk

Credit risk implied by the type and scope of business activity may relate to an increase in the level of bad debts resulting from the necessary (due to market requirements) lending to customers. The Company reduces its exposure to credit risk related to trade receivables by assessing and monitoring the financial condition of counterparties, setting credit limits and applying collateral for receivables. In addition, since July 2015 the Company has been insuring receivables. The Company focuses on securing payments, both on the formal and legal level (i.e. promissory note, mortgage) and substantive (i.e. deepening the examination of the financial situation of recipients, etc.).

An integral part of the Company's credit risk management process is the ongoing monitoring of receivables and an internal reporting system. As a result, good management of this area allows to generate added value. Despite the concentration of risk in this respect, it is estimated that due to the available historical data and many years of experience in cooperation with customers, as well as the collateral used, there is a low degree of credit risk.

In the opinion of the Company's Management Board, the level of financial risk related to the collection of receivables is low.

2.2. Liquidity risk

Due to the fact that the Company operates within an international capital group and is characterized by relatively high profitability, in the opinion of the Management Board, there is no significant risk of loss of liquidity. Therefore, the Company does not use liquidity hedging instruments. The company finances its operations mainly from internally generated funds.

2.3. Exchange rate risk

The Company is dependent on fluctuations in foreign currency exchange rates in connection with the export of finished goods and imports of raw materials, but in accordance with the Company's long-term financial strategy, it does not use instruments to hedge currency risk using natural hedging. Most of the proceeds from exports are used to purchase imported materials. In the long term, this policy has a positive effect.

2.4. Interest rate risk

In 2023, overdraft facility agreements were in force for a total amount of PLN 145 million. The utilization of these credits was zero as of December 31, 2023. The company maintained liquidity and stability of financing. The Company did not incur any significant interest expenses, therefore, in the opinion of the Management Board, the risk related to the volatility of interest rates is not material in the case of the Company.

2.5. Market risk

The Management Board is responsible for managing market risk in the Company and complying with the policy adopted in this respect. The Company manages market risk by monitoring the market and macroeconomic situation on an ongoing basis. The Management Board makes strategic business decisions related to maintaining the Company's market position and responding appropriately to the dynamically changing market situation.

In 2023, the Company continued its business activities to maintain its competitive market position. In addition, the Company maintained high liquidity combined with a low level of debt. During the financial year, the Company maintained a safe level of debt and diversified its debt and operating risks by cooperating with several banks.

As at the date of this report, the Company's Management Board does not anticipate any significant disruptions in cash flows or loss of financial liquidity, however, due to the dynamic and unpredictable situation related in particular to the geopolitical situation, actions are being taken to minimize such risk,

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

among others close cooperation with business partners, optimization of the Company's costs and preparation of revised business plans.

2.6. Risks related to disruption of production operations

2.6.1. The impact of the political and economic situation in Ukraine

Since the beginning of the war in Ukraine, the Company has been monitoring its impact on its operations on an ongoing basis. The Company does not have production facilities or offices in Ukraine, Russia or Belarus. It also does not directly sell its products in these countries.

Some of the raw materials used in the production at the Dębica plant are sourced from the conflict-affected area, but the Company is cooperating with Goodyear's purchasing centers on an ongoing basis to reduce the risk associated with the unavailability of raw materials and provide alternative sources of supply.

Since the outbreak of the war in Ukraine, the Management Board has been monitoring the impact of this crisis on the financial, business and operational aspects of the Company and has been making appropriate decisions to ensure business continuity and a safe and stable situation of the Company. As events develop, the Management Board will make appropriate efforts to minimize the negative impact of this situation on the Company's operations.

2.6.3. Impact of the economic situation in Europe on the industry, the Company's business partners and consumer behavior

Current Reports No. 4 of 3 April 2023 and No. 5 of 8 May 2023. The Company announced a reduction in tire production in 2023 by 6.76% for passenger vehicle tires and 4.14% for truck tires compared to the Company's production plans for 2023. The decision of the Company's Management Board was made in connection with a further decline in demand observed on the European market, including the Polish market, and as a result of obtaining from the Company's key customer, Goodyear, information about a decrease in orders for tires manufactured by the Company in the remainder of this year.

2.6.4. Production hall fire

On August 20, 2023, a fire broke out at the Company's factory. Despite the quick action and extinguishing the fire, the Company incurred losses, which are initially estimated between PLN 230 million and PLN 270 million. These estimates include fire remediation costs, the value of building renovations, repair costs and equipment replacement value, and inventory loss. The costs are incurred gradually from 21 August 2023.

Fire and its aftermath are covered by insurance, which includes property damage insurance, fire cleanup insurance, and eligible business interruption costs. The first insurance advance payment was received in February 2024.

No people were injured as a result of the fire, and no air or water contamination was found.

In the opinion of the Management Board, the scale of the fire does not affect the risk of continuing operations.

3. Ensuring business continuity

3.1. Business Continuity Team

The Company has a business continuity team consisting of representatives of key functions, which at regular meetings develops actions to ensure the continuity of the Company's operations based on existing corporate procedures. The team reports its activities to the Company's Management Board.

3.2. Reduction of tire production

- In 2023 The company did not record any production disruptions resulting from disruptions in global supply chains.
- In view of the further decline in demand observed on the European market, including the Polish market, and as a result of receiving information from the Company's key customer, Goodyear, about a decrease in orders for tires manufactured by the Company in the remainder of this year, the Management Board decided to reduce tire production in 2023 by 6.76% for passenger vehicle tires and 4.14% for truck tires compared to the Company's production plans for 2023. This level of reduction in tire production was maintained until the production hall fire.
- Due to the fire in the hall, after the initial stop of the production of passenger tires on the day of the fire, it was resumed the next day. From 22 August, the Company produced at the level of 55% of its production capacity, while at the end of September the Company restored production at the level of 70% of the capacity from before the fire. The expected date of return to the original production capacity from before the fire is no earlier than the fourth quarter of 2024.

3.3. Monitoring the market situation

The company monitors the market situation and the level of orders on an ongoing basis in order to adapt its operations to the dynamically changing market situation.

3.4. Monitoring the supply chain of materials and services.

The Company monitors the status of supplies of strategic raw materials and other materials as well as services necessary to ensure the continuity of production.

3.5. Securing the Company's long-term financial stability

3.5.1. Protection of financial liquidity.

The Management Board monitors the Company's financial liquidity on an ongoing basis. The Company's current responsible financial policy has a positive impact on the Company's current cash balance, which in the current situation is one of the key factors ensuring financial security in the long term. The Company uninterruptedly fulfils all commercial obligations towards contractors, obligations towards employees and all public and legal obligations.

3.5.2. Monitoring the status of loans

As at the balance sheet date of 31 December 2023, the balance of loans to Goodyear amounted to PLN 700 million, however, the Company reminds that under the loan agreements, Goodyear SA provides a guarantee of immediate repayment before the due date, based on the Company's request. The capital is therefore not "frozen" and can be used at any time when the need arises without losing interest.

3.5.3. Repayment of receivables by customers

The Company monitors the status of repayment of receivables by its customers on an ongoing basis and will take appropriate action in the event of information about financial problems of its business partners.

3.5.4. Cost optimization

The Company analyses its planned business activities on an ongoing basis and adjusts the dates of their implementation to the current market conditions.

3.6. Continuation of sales and distribution activities

The company continued its sales and distribution activities. In the opinion of the Management Board, the data for 2023 should not be treated as a source of guidance or forecasts with respect to the Company's results in subsequent periods due to dynamically changing business circumstances, including among others: increased market uncertainty, including the level of inflation and its impact on the economy, industry, the Company's business partners and consumer behavior, as well as possible supply chain disruptions caused by the outbreak of the war in Ukraine and the costs of remedying the effects of the hall fire production capacity at the factory, which took place in August 2023.

4. Corporate Governance

4.1. A set of corporate governance rules

The Management Board of the Company declares that Tire Company Debica S.A. applies the principles of corporate governance contained in the "Best Practices of WSE Listed Companies 2021", which were adopted by the WSE Supervisory Board Resolution No. 13/1834/2021 of 29 March 2021 and entered into force on 1 July 2021.

On 29 July 2021, the Company disclosed to the public and to the WSE information on the Company's compliance with the recommendations and principles contained in the "Best Practices for WSE Listed Companies 2021", including information on non-compliance with selected corporate governance principles and the justification for the withdrawal.

The Company's statements on the application of the "Code of Best Practice for WSE Listed Companies 2021" are published on the Company's website at: http://debica.com.pl/relacje-inwestorskie/lad_korporacyjny.

The Management Board of the Company, appreciating the importance of the principles of corporate governance contained in this document and the role that these principles play in strengthening the transparency of listed companies, has made every effort to ensure that the principles referred to above are applied in the Company to the fullest extent possible.

4.2. Best Practice for the WSE Listed Companies 2021

4.2.1. Information on withdrawal from the provisions of the "Best Practice for the WSE Listed Companies 2021"

As of 1 July 2021, the Company has been applying the principles set out in the Code of Best Practice for WSE Listed Companies 2021. Below, the Management Board presents the rules contained in this set, from which the Company withdrew in 2023, together with the justification for the withdrawal.

- **1.2.** The Company makes it possible to review its financial results included in the periodic report as soon as possible after the end of the reporting period, and if this is not possible for justified reasons, it publishes at least preliminary estimated financial results as soon as possible.

The Company intends to continue its current practice with regard to the dates of publication of periodic reports. The annual report is usually published as soon as possible and is usually preceded by the publication of preliminary results. Due to the increased regulatory and reporting burden on the Company's day-to-day business operations, quarterly reports are usually published within the time limit specified by law.

- **1.3.** In its business strategy, the Company also takes into account the following topics:
 - **1.3.1.** environmental issues, including measures and risks related to climate change and sustainability issues;

Based on its business model, the Company undertakes activities that take into account ESG activities – including environmental and climate issues – as well as other issues related to sustainable development. Each year, they are comprehensively presented to the Company's stakeholders in the "Non-Financial Information Statements", which are a separate part of the Management Board's Reports on Operations (part of the annual reports, available, among others, on the Company's website in the "Investor Relations" section).

- **1.3.2.** social and labour affairs, concerning, among others undertaken and planned actions aimed at ensuring gender equality, proper working conditions, respect for employees' rights, dialogue with local communities, relations with customers.

Based on its business model, the Company undertakes activities that take into account ESG activities – including environmental and climate issues – as well as other issues related to sustainable development. Each year, they are comprehensively presented to the Company's stakeholders in the "Non-Financial Information Statements", which are a separate part of the Management Board's Reports on Operations (part of the annual reports, available, among others, on the Company's website in the "Investor Relations" section).

- **1.4.** In order to ensure proper communication with stakeholders regarding the adopted business strategy, the Company publishes on its website information on the assumptions of its strategy, measurable goals, including in particular long-term goals, planned activities and progress in its implementation, determined by means of financial and non-financial metrics. Information on ESG strategies should among others:

Based on its business model, the Company undertakes activities that take into account ESG activities – including environmental and climate issues – as well as other issues related to sustainable development. Each year, they are comprehensively presented to the Company's stakeholders in the "Non-Financial Information Statements", which are a separate part of the Management Board's Reports on Operations (part of the annual reports, available, among others, on the Company's website in the "Investor Relations" section).

- **1.4.1.** explain how climate change considerations are taken into account in the decision-making processes of the company and its group entities, indicating the risks arising from it;

Based on its business model, the Company undertakes activities that take into account ESG activities – including environmental and climate issues – as well as other issues related to sustainable development. Each year, they are comprehensively presented to the Company's stakeholders in the "Non-Financial Information Statements", which are a separate part of the Management Board's Reports on Operations (part of the annual reports, available, among others, on the Company's website in the "Investor Relations" section).

- **1.4.2.** present the value of the equal pay rate paid to its employees, calculated as the percentage difference between the average monthly salary (including bonuses, awards and other allowances) of women and men for the last year, and provide information on the measures taken to eliminate possible inequalities in this respect, together with a presentation of the risks associated with this and the time horizon in which it is planned to achieve equality.

The Company does not present the value of the equal pay rate paid to employees. In the Management Board's Report on Operations, the Company presents a list of fixed-term and indefinite-term contracts broken down by gender, type of full-time position and type of position.

- **1.5.** At least once a year, the company discloses the expenditure incurred by it and its group to support culture, sport, charitable institutions, media, social organisations, trade unions, etc. If, in the year covered by the report, the company or its group incurred expenditure for such purposes, the report shall include a summary of that expenditure.

The Company operates in the field of supporting selected activities in the area of culture, sport, charitable institutions and other social organizations to the extent adequate to the scale and especially the significance of its activities and impact on the local community, i.e. the inhabitants of Dębica, where the Company's production plant is located, and more broadly – the Podkarpackie Voivodeship. Disclosure of such expenses would require prior consultation with the above-mentioned organizations, which, in the Company's opinion, would lead to an unnecessary burden of administrative activities, inadequate to the information needs of the Company's stakeholders.

- **1.6.** In the case of a company included in the WIG20, mWIG40 or sWIG80 index, once a quarter, and in the case of other indices at least once a year, the company organises a meeting for investors, inviting in particular shareholders, analysts, industry experts and media representatives. During the meeting, the company's management board presents and comments on the adopted strategy and its implementation, the financial results of the company and its group, as well as the most important events affecting the operations of the company and its group, the results achieved and prospects for the future. During the meetings, the company's management board publicly provides answers and explanations to the questions asked.

The Company organizes meetings for investors twice a year, which is related to many years of practice in this area and the needs of the Company's stakeholders, including investors and analysts. During these meetings, the Company's Management Board presents and comments on the Company's financial results, as well as the most important events affecting the Company's operations, the results achieved and prospects for the future.

- **1.7.** If an investor submits a request for information about the company, the company shall respond immediately, but not later than within 14 days.

The Company provides information to shareholders in accordance with the law, in particular in accordance with the provisions of the Commercial Companies Code. Investors have access to information published on the Company's website and in the ESPI system to the extent required by law, and have the opportunity to participate in meetings organized for investors and ask questions.

- **2.1.** The Company should have a diversity policy for the Management Board and the Supervisory Board, adopted by the Supervisory Board or the General Meeting, respectively. The diversity policy defines the objectives and criteria of diversity among others in areas such as gender, field of education, specialist knowledge, age and professional experience, as well as indicates the date and method of monitoring the achievement of these goals. With regard to gender diversity, the condition for ensuring the diversity of the company's governing bodies is the minority share in the body at the level of not less than 30%.

The company does not have a formalized diversity policy. As a rule, members of the supervisory board are elected by shareholders and the Company has no legal basis to impose diversity criteria on shareholders when making their choices. When making decisions on the selection of members of the Management Board, the Supervisory Board is primarily guided by the competences of potential candidates and the need to ensure the proper functioning of the Management Board as a whole. The Company applies the principles of equal treatment and non-discrimination in its personnel decisions. Despite the lack of formalized rules for the election of members of the Company's governing bodies, the Company declares its intention to use the knowledge and experience of people with various competences.

- **2.2.** Persons making decisions on the selection of members of the company's management or supervisory board should ensure the versatility of these bodies by selecting diversity officers for their composition, enabling, among others to achieve the target of minimum minority participation at a level of not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.

As a rule, members of the supervisory board are elected by shareholders and the Company has no legal basis to impose diversity criteria on shareholders when making their choices. The supervisory board, which makes decisions on the selection of members of the management board, is primarily guided by the competences of potential candidates and the need to ensure the proper functioning of the management board as a whole. The Supervisory Board applies the principles of equal treatment and non-discrimination in personnel decisions. Despite the lack of formalized rules for the election of members of the Company's governing bodies, the Company declares its intention to use the knowledge and experience of people with various competences.

- **2.7.** Members of the company's management board may hold positions in the governing bodies of entities outside the company's group subject to the consent of the supervisory board.

The Company's Articles of Association and the Rules of Procedure of the Management Board do not require a member of the Management Board to obtain consent to perform functions in entities outside the group. In accordance with the provisions of the Commercial Companies Code applied by the Company, the performance of a function in the body of an entity competitive to the Company requires the consent of the supervisory board.

- **2.11.5.** an assessment of the appropriateness of the expenditure referred to in rule 1.5;

Due to the non-disclosure of such statements of expenditure (see the explanation to Rule 1.5), this rule is not currently applied.

- **2.11.6.** information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in principle 2.1.

Due to the lack of application of Rule 2.1 adopted by the Company, as well as the lack of a "Diversity Policy" (see the explanation to Rule 2.1), this Rule is currently not applied.

- **3.1.** A listed company maintains effective systems of internal control, risk management and compliance supervision, as well as an effective internal audit function, appropriate to the size of the company and the type and scale of its operations, for which the management board is responsible.

The Company does not have an organisationally separated internal audit unit. Internal control and risk management systems are dispersed and are implemented by different operational divisions.

- **3.2.** The Company separates in its structure units responsible for the tasks of individual systems or functions, unless it is not justified due to the size of the company or the type of its activity.

The separation of organizational units responsible for the tasks of individual systems and functions is not justified due to the type of business conducted by the Company.

- **3.3.** A company included in the WIG20, mWIG40 or sWIG80 index appoints an internal auditor to manage the internal audit function, acting in accordance with generally recognised international standards of internal audit professional practice. In other companies where no internal auditor has been appointed who meets the above requirements, the audit committee (or the supervisory board, if it acts as an audit committee) annually assesses whether there is a need to appoint such a person.

The Company has decided not to appoint an internal auditor at this time, but the Company will assess the need to appoint an internal auditor. The Company does not have an organisationally separated internal audit unit. Internal control and risk management systems are dispersed and are implemented by different operational divisions.

- **3.5.** Persons responsible for risk management and compliance report directly to the CEO or another member of the management board.

Not all persons responsible for risk management and compliance in the Company report directly to the President or another member of the Management Board. The risk management system, including compliance risk, is dispersed and is implemented by various operational divisions.

- **3.6.** The Head of Internal Audit reports organizationally to the President of the Management Board, and functionally to the Chairman of the Audit Committee or the Chairman of the Supervisory Board, if the Board acts as an audit committee.

The Company does not have an organisationally separated internal audit unit. Internal control and risk management systems are dispersed and are implemented by different operational divisions.

- **3.7.** Rules 3.4 to 3.6 shall also apply to group entities of a company that are essential to its operations if they have designated persons to perform these tasks.

The rule does not apply to the Company.

- **3.10.** At least once every five years, an independent auditor selected with the participation of the audit committee reviews the internal audit function of a company included in the WIG20, mWIG40 or sWIG80 index.

The Company has not yet used an external auditor to review its internal audit function, but does not rule it out doing so in the future. The Company's audit committee monitors the effectiveness of its internal audit.

- **4.1. The** Company should enable its shareholders to participate in the General Meeting by means of electronic communication (e-General Meeting), if it is justified in view of the expectations of the shareholders reported to the Company, provided that it is able to provide the technical infrastructure necessary to conduct such a General Meeting.

In the Company's opinion, the current procedure for conducting general meetings, implemented on the basis of the provisions of the Commercial Companies Code, is sufficient.

- **4.3.** The Company provides a publicly available real-time broadcast of the General Meeting.

In the opinion of the Management Board, there is no need to broadcast the meeting to the public.

- **4.6.** In order to make it easier for the shareholders participating in the General Meeting to vote on resolutions with due discernment, draft resolutions of the General Meeting concerning matters and decisions other than those of a procedural nature should include a justification, unless it results from the documentation presented to the General Meeting. If an item is placed on the agenda of a general meeting at the request of a shareholder or shareholders, the management board shall request the presentation of a justification for the proposed resolution, unless it has been previously presented by the shareholder or shareholders.

The Management Board of the Company intends to prepare justification for resolutions only in cases where, in the opinion of the Management Board, the resolution is not of a typical, repetitive nature, concerns a complex issue and when the purpose of the resolution is not obvious or in situations where the justification of the resolution is required by law. In the opinion of the Management Board, also based on experience, many typical resolutions adopted by the General Meeting do not require any special justification and their content and purpose are obvious to the Company's shareholders.

- **4.7.** The Supervisory Board gives its opinion on draft resolutions submitted by the Management Board to the agenda of the General Meeting.

The Supervisory Board gives its opinion on draft resolutions submitted by the Management Board to the agenda of the General Meeting on the matters specified in § 26.1 of the Company's Articles of Association, and not on all matters.

- **4.8.** Draft resolutions of the General Meeting on matters included in the agenda of the General Meeting should be submitted by the shareholders no later than 3 days before the General Meeting.

In accordance with the provisions of the Commercial Companies Code, draft resolutions may also be submitted by shareholders during the general meeting. There is no legal basis for limiting the deadline within which shareholders could submit draft resolutions.

- **4.9.** If the subject of the General Meeting is to be the appointment to the Supervisory Board or the appointment of the Supervisory Board for a new term of office:
- **4.9.1.** Candidates for members of the Supervisory Board should be submitted in time to enable the shareholders present at the General Meeting to make a decision with due discernment, but

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

no later than 3 days before the General Meeting; candidates, together with a set of materials concerning them, should be immediately published on the Company's website;

In accordance with the provisions of the Commercial Companies Code, draft resolutions may also be submitted by shareholders during the general meeting. There are no legal grounds to limit the deadline within which shareholders could nominate candidates for supervisory board members.

- **6.3.** If one of the incentive schemes in the company is a management option plan, then the exercise of the option plan should be conditional on the fulfilment by the entitled persons, within at least 3 years, of predetermined, realistic and appropriate financial and non-financial objectives and sustainable development, and the agreed price of purchase of shares by the entitled persons or settlement of options may not differ from the value of the shares at the period of adoption of the plan.

The Company implements the "Remuneration Policy for Members of the Management Board and the Supervisory Board", which is available on the Company's website in the "Investor Relations" section (tab: "Corporate Governance").

4.3. Shares and shareholding

4.3.1. Shareholding structure and changes

According to the information held by the Company as at 31 December 2023 and as at the date of the annual report for 2023, the shareholders holding more than 5% of the share capital and at least 5% of votes at the General Meeting were:

- **Goodyear Holdings S.à.r.l.** with its registered office in Luxembourg, holding 12,042,976 shares constituting 87.251% of the Company's share capital, conferring the right to 12,042,976 votes at the Company's General Meeting of Shareholders, constituting approximately 87.251% of the total number of votes at the Company's General Meeting of Shareholders.⁴
- **Shareholders' Agreement:**
 - FRAM Fundusz Inwestycyjny Zamknięty with its registered office in Warsaw,
 - Lemuria Partners Sicav P.L.C with its registered office in Malta,
 - Otwarty Fundusz Emerytalny Nationale–Niederlanden represented by Nationale-Niederlanden Powszechnie Towarzystwo Emerytalne SA with its registered office in Warsaw
 - PKO BP Bankowy Otwarty Fundusz Emerytalny represented by PKO BP BANKOWE Powszechnie Towarzystwo Emerytalne SA with its registered office in Warsaw

The Parties to the Agreement jointly hold 889,498 shares of the Company, entitling to exercise 889,498 votes at the Company's General Meeting of Shareholders, which corresponds to 6.44% of the total number of votes in the Company.⁵

4.3.2. Special control powers and restrictions on voting rights and transfer of securities

The Company's shares are not subject to restrictions on the transfer of ownership of the Company's securities. There are also no restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a certain part or number of votes, time limits on the exercise of voting rights, or provisions under which, with the Company's cooperation, capital rights attached to

⁴ Source: Current Report No. 17/2019: Receipt of a notification from Goodyear group companies on a change in the ownership of the company's shares in connection with a transaction concluded on the regulated market, date of publication: 19.06.2019.

⁵ Source: Current report 22/2023, Shareholders holding at least 5% of votes at the Annual General Meeting held on July 24, 2023.

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

securities would be separated from the holding of securities. The company did not issue securities that give special control rights.

The Issuer is not aware of any agreements as a result of which there may be changes in the proportions of shares held by the existing shareholders in the future.

The Company does not have a system in place to control employee share plans.

The Company's Articles of Association do not provide for any special rules for amendments to the Articles of Association that may be made in accordance with the applicable regulations, in particular the Commercial Companies Code.

4.3.3. Dividend

On June 27, 2023, the Ordinary General Meeting of the Company adopted – in accordance with the proposal of the Management Board of the Company – a resolution regarding the distribution of the Company's profit for 2022 in the amount of PLN 72,596,863.09 (in words: seventy-two million five hundred ninety-six thousand eight hundred sixty-three zlotys 09/100) as follows:

1. the amount of PLN 54,520,862.50 (in words: fifty-four million five hundred twenty thousand eight hundred sixty-two zlotys 50/100) to be allocated to a dividend for shareholders in the amount of PLN 3.95 per share, setting September 22, 2023 as the dividend vesting date (dividend date) and December 19, 2023 as the dividend payment date – due to the seasonal nature of the Company's business;
2. the amount of PLN 18,076,000.59 (say: eighteen million seventy-six thousand zlotys 59/100) to be allocated to the reserve capital with the possibility of payment in future years.

The dividend payment was made on time.

4.4. Statutes and Statutory Authorities

4.4.1. Amendment of the Articles of Association

The Company's Articles of Association do not provide for any special rules for amendments to the Articles of Association, which may be made in accordance with the applicable regulations, in particular the Commercial Companies Code.

In 2023, amendments were made to the Company's Articles of Association, the purpose of which was primarily to adapt its content to the changes resulting from the amendment to the Commercial Companies Code, and in particular to the amendment that entered into force on 13 October 2022. Other amendments to the Articles of Association were of a technical and editorial nature and served to clarify and better formulate its provisions. The consolidated text of the Company's Articles of Association is available on the Company's website at: www.debica.com.pl.

A description of the rules governing the appointment and dismissal of managing persons and their powers, in particular the right to decide on the issue or redemption of shares, and a description of the operation of the issuer's management, supervisory or administrative bodies and their committees.

4.4.2. Board

The Company's Board of Directors consists of three to seven people. The term of office of a Member of the Management Board is three years. Members of the Management Board are appointed for a joint term of office, which begins on the date of appointment. The mandate of a member of the Management Board expires no later than on the date of the General Meeting approving the financial statements for the last full financial year of the Management Board member's term of office. Members of the

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

Management Board may be elected for subsequent terms of office. The number of members of the Management Board is determined by the Supervisory Board. The Supervisory Board appoints and dismisses the President of the Management Board and other Members of the Management Board. The mandate of a Member of the Management Board expires as a result of the expiry of the term of office, death, resignation or dismissal from the Management Board. The resignation is effective upon submission of a written statement to the Company or at a later date indicated in the statement. This date may not be later than 30 days from the date of submission of the written statement to the Company.

If a date later than 30 days is indicated for the resignation to be effective, the resignation shall be deemed to be effective 30 days after the written statement is submitted to the Company.

In employment contracts and other agreements between the Company and the Members of the Management Board, as well as in disputes between them, the Company is represented by the Chairman of the Supervisory Board. Determination of the principles of remuneration and other terms and conditions of these agreements is the exclusive competence of the Chairman of the Supervisory Board.

The Management Board of the Company conducts the affairs of the Company and represents the Company.

All matters related to the management of the Company not reserved by the Act or the Articles of Association to the competence of the General Meeting or the Supervisory Board fall within the scope of the Management Board's activities. The Rules of Procedure of the Management Board define in detail the mode of operation of the Management Board. These regulations are adopted by the Management Board and approved by a resolution of the Supervisory Board. It was published on the Company's website www.debica.com.pl.

In order to make declarations on behalf of the Company, two Members of the Company's Management Board or one Member of the Management Board together with a Proxy are required. All Members of the Management Board are obliged and entitled to jointly manage the affairs of the Company.

Composition of the Management Board of the XXI term of office (current as of 31.12.2023)

Management Board:

Ireneusz Maksymiuk	President of the Management Board
Anna Winiarska-Miśkowiec	Member of the Management Board
Marko Nahtigal	Member of the Management Board

Changes in the composition of the Management Board:

- December 5, 2023: The Company received information about the resignation of Mr. Leszek Szafran from the position of the President of the Management Board of the Company effective as of 11:00 a.m. on December 5, 2023.
- 5 December 2023: The Supervisory Board of the Company adopted a resolution to appoint the President of the Management Board, Mr. Ireneusz Maksymiuk, with effect from 11:50 a.m. on December 5, 2023, pursuant to §10.4 of the Company's Articles of Association. The resolution entered into force upon its adoption.

Composition of the Management Board of the 21st term of office (current as of the date of publication of the annual report)

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

Management Board:

Ireneusz Maksymiuk	President of the Management Board
Anna Winiarska-Miśkowiec	Member of the Management Board
Marko Nahtigal	Member of the Management Board

4.4.3. Supervisory board

The Company's Supervisory Board consists of five to nine members, and the number of Supervisory Board Members for a given term of office is determined by the General Meeting by way of a resolution. Members of the Supervisory Board are appointed by the General Meeting, but the Supervisory Board is composed of one representative of the Company's employees appointed by them. The term of office of a Member of the Supervisory Board may not be longer than one year. It is permissible to re-elect the same person for successive terms of office. Members of the Supervisory Board are appointed for a joint term of office. The term of office shall commence on the date of appointment. The mandate expires no later than on the date of the General Meeting approving the Financial Statements for the year in which the term of office began.

Detailed rules for the functioning of the Supervisory Board are set out in the Articles of Association and the Bylaws of the Company's Supervisory Board, adopted by the Supervisory Board. The Rules of Procedure of the Supervisory Board have been published on the Company's website www.debica.com.pl. The Supervisory Board exercises constant supervision over the Company's operations in all areas of its activity.

In addition to matters reserved by the provisions of the Company's Articles of Association, the special powers of the Supervisory Board include:

- audit of the Financial Statements;
- audit of the Report of the Company's Management Board and the Management Board's motions regarding the distribution of profit or coverage of losses;
- preparing and submitting to the General Meeting an annual written report for the previous financial year (Supervisory Board report)
- agreeing to form or join a company or consortium;
- giving consent to the acquisition or disposal by the Company of shares in companies or to the acquisition of branches of companies;
- granting consent to the disposal of an organized part of the Company's assets, subject to the provisions of Article 393(3) and (4) of the Commercial Companies Code;
- granting consent for the Company to perform other legal transactions obliging or disposing of the Company's fixed assets, including the purchase and sale of real estate, if the unit value of the legal transaction carries the PLN equivalent of USD 500,000 (in words: five hundred thousand USD) or in the case of related transactions performed within the next twelve months, if the value of these transactions carries the PLN equivalent of USD 1,000,000 (in words: one million USD) and concluding management agreements, mutual investment agreements, patent company agreements and licensing agreements or long-term cooperation agreements;
- agreeing to encumber the Company's assets with a value exceeding the PLN equivalent of USD 1,000,000 (in words: USD 1 million) or granting a guarantee for an amount transferring the PLN equivalent of the same amount for a period of more than twelve consecutive months;
- determining the remuneration for Supervisory Board Members delegated to temporarily perform the duties of Management Board Members;

- giving a written opinion on motions submitted to the General Meeting on matters specified in § 26 section 1 of the Company's Articles of Association;
- suspending, for important reasons, a Member of the Management Board or the entire Management Board;
- delegating a Member or Members of the Supervisory Board to temporarily perform the duties of members of the Company's Management Board in the event of dismissal or resignation of Members of the Management Board or the entire Management Board or when members of the Management Board are unable to perform their duties for other reasons;
- approving the Rules of Procedure of the Company's Management Board;
- appointing a statutory auditor to audit the Company's financial statements.

The Supervisory Board may adopt a resolution on the examination of a specific matter concerning the company's operations or assets by a selected advisor (advisor to the supervisory board) at the company's expense. An advisor to the Supervisory Board may also be appointed to prepare specific analyses and opinions in accordance with the rules set out in the Commercial Companies Code. The General Meeting is authorized to determine the maximum total cost of remuneration of the Supervisory Board's advisors that the Company may incur during the financial year.

The Supervisory Board may appoint standing or *ad hoc committees* acting as collegiate advisory and opinion-forming bodies of the Supervisory Board. In the resolution on the appointment of the Committee, the Supervisory Board defines the period of operation of the Committee and the scope of its tasks.

Committees of the Supervisory Board, appointed by the Supervisory Board, submit reports on their activities to the Supervisory Board within the deadlines specified in the resolution on the appointment of a given Committee. Members of the Committee are appointed by the Supervisory Board from among its members. The members of a given Committee elect, by resolution, the Chairman of the Committee from among their members. The Committee shall be composed of at least two members. The first meeting of the Committee is convened by the Chairman of the Supervisory Board or another Member of the Supervisory Board appointed by him. The work of the Committee is chaired by the Chairman of the Committee. He also supervises the preparation of the agenda, the distribution of documents and the preparation of minutes of the Committee's meetings, with the assistance of the Office of the Company's Management Board. Meetings of the Committee are convened by the Chairman of the Committee, and in the event of his absence or inability to perform his functions – by the Chairman of the Supervisory Board or another Member of the Supervisory Board designated by him, who invites the Committee Members to the meeting and notifies all other Members of the Supervisory Board of the meeting. All members of the Supervisory Board have the right to participate in the meetings of the Committee. The notification of convening a meeting should be given to the Committee Members and other Members of the Supervisory Board no later than seven days before the Committee meeting, and in urgent cases no later than three days before the Committee meeting. The Chairman of the Committee may invite to the meetings of the Committee members of the Management Board, employees of the Company and other persons whose participation in the meeting is useful for the performance of the Committee's tasks. The Committee's resolutions are adopted by a simple majority of votes cast. Members of the Committee may vote on the adoption of a resolution in person, by taking part in a meeting of the Committee or by means of remote communication. Minutes of the Committee's meeting are drawn up and signed by the Members of the Supervisory Board present at the Committee's meeting. The minutes should contain the resolutions, motions and reports of the Committee. Minutes of Committee meetings are kept at the Company's registered office. Copies of the minutes are delivered to all Members of the Supervisory Board. The Chairman of the Committee (or a person designated by him) is authorized to submit motions to the Supervisory Board for the Supervisory Board to adopt resolutions on the preparation of expert opinions or opinions on the scope of tasks or employment of an advisor for the needs of the Committee.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

On 27 June 2023, the General Meeting adopted resolutions to appoint the following persons to the Supervisory Board.

Supervisory board:

Jacek Pryczek, François Colin de Verdière, Agnieszka Modras, Vincent Ganier, Lourens Roets, Michaël De Schrijver, Andrzej Kowal

Pursuant to §14 of the Company's Articles of Association, the Company's employees, in the elections held in the Company, elected Mr. Krzysztof Pieniążek as a member of the Supervisory Board for the term of office beginning on June 27, 2023. Pursuant to §14.1 of the Company's Articles of Association, members of the Supervisory Board are appointed for a joint term of office.

On June 27, 2023, at its first meeting, the Company's Supervisory Board was constituted.

The Supervisory Board, acting pursuant to § 15.1 of the Company's Articles of Association, elected from among its members:

Mr. Jacek Pryczek – Chairman of the Supervisory Board,

Mr. François Colin de Verdière – Deputy Chairman of the Supervisory Board,

Mr. Andrzej Kowal – Secretary of the Supervisory Board.

Each member of the Company's Supervisory Board has made a statement that:

- does not conduct any activity competitive to the Company's business, does not participate in a competitive company as a partner in a civil law partnership, a partnership or as a member of a body of a capital company, and
 - does not participate in another competing legal person as a member of its body;
 - is not listed in the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register.
- **Composition of the Supervisory Board as at 31.12.2023 and as at the date of publication of the annual report**

Jacek Pryczek - Chairman of the Supervisory Board

François Colin de Verdière - Member of the Supervisory Board, Deputy Chairman of the Supervisory Board

Andrzej Kowal - Independent Member of the Supervisory Board, Secretary of the Supervisory Board

Agnieszka Modras - Independent Member of the Supervisory Board

Vincent Ganier - Member of the Supervisory Board

Lourens Roets - Member of the Supervisory Board

Michaël de Schrijver - Member of the Supervisory Board

Krzysztof Pieniążek - Member of the Supervisory Board

Audit Committee

Within the Supervisory Board, there's Audit Committee.

The Audit Committee consists of at least 3 (three) members (including the Chairman) appointed and dismissed by the Supervisory Board from among its members.

When determining the composition of the Audit Committee, it should be taken into account that:

- a) the majority of the members of the Audit Committee (including its Chairman) should meet the independence criteria set out in Article 129(3) of the Act on Statutory Auditors;

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

(b) at least one member of the Audit Committee should have knowledge and skills in accounting or auditing financial statements;

c) members of the Audit Committee should have knowledge and skills in the industry in which the Company operates. This condition is considered to be fulfilled if at least one member of the Audit Committee has knowledge and skills in the field of this industry or individual members in specific areas have knowledge and skills in the field of this industry.

The tasks of the Audit Committee include, in particular:

(a) monitoring:

(i) the financial reporting process;

(ii) the effectiveness of internal control, risk management and internal audit systems, including financial reporting;

(iii) performing financial audit activities, in particular conducting an audit by the audit firm, taking into account all conclusions and findings of the Audit Oversight Committee resulting from the audit carried out at the audit firm

b) controlling and monitoring the independence of the statutory auditor and the audit firm, in particular when the audit firm provides services other than auditing to the Company;

c) informing the Supervisory Board about the results of the audit and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as what was the role of the Audit Committee in the audit process;

(d) assessing the independence of the statutory auditor and authorising the provision of authorised non-audit services;

(e) developing a policy for the selection of an audit firm to carry out the audit;

(f) developing a policy for the provision of permitted non-audit services by the audit firm conducting the audit, by the entities affiliated with the audit firm and by a member of the audit firm's network;

(g) defining the procedure for the selection of the audit firm;

h) presenting recommendations to the Supervisory Board as to the selection of an audit firm;

i) submitting recommendations to the relevant bodies and internal units of the Company (including in particular the Supervisory Board and the Management Board) aimed at ensuring the reliability of the Company's financial reporting process;

j) analysing written information received from the entity authorised to audit financial statements on material issues related to the financial audit activities and providing the Supervisory Board with the Audit Committee's position on this matter.

The Audit Committee may, without the mediation of the Supervisory Board, require the Management Board and the Company's employees to provide information, explanations and documents necessary to perform the tasks of the Audit Committee.

During each financial year, at least 2 (two) meetings of the Audit Committee should be held, 1 (one) meeting should be held in each semester. Members of the Management Board, employees of the Company responsible for its financial affairs and an entity authorized to audit financial statements may be invited to meetings of the Audit Committee.

Composition of the Audit Committee of the Supervisory Board valid as at 31.12.2023 and as at the date of publication of the annual report

Andrzej Kowal – Chairman of the Audit Committee

Secretary of the Supervisory Board, born 1967. A graduate of the University of Economics in Poznań. Mr. Kowal's professional career is related to EY which he started in 1991. In 2001 (till 2015), he became the Partner managing the entire office in Poznań, being also a member of the board of companies belonging to group EY. In 1998, after the completion of ACCA the training cycle, he obtained the qualifications of the British Chartered Certified Accountants, and in 2000 - obtained the qualifications of a statutory auditor at the Polish Chamber of Statutory Auditors. Mr. Kowal has over 30 years of extensive experience in the field of verification of financial reporting, transaction advisory, in the field of IPO and human resources management. Mr. Kowal since 2016 is the Chairman of the Supervisory Board at Grupa Recykl S.A. From 2018, he is the Deputy Chairman of the Supervisory Board at Reino Capital S.A. where he also holds the position of chairman of the audit committee. Since 2019 Mr. Kowal has also been a member of the Supervisory Board of Firma Oponiarska Dębica S.A., and since 2021 he holds the position of chairman of the audit committee.

Mr. Andrzej Kowal meets the criteria of independence within the meaning of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as within the meaning of the Annex II to the Recommendation of the European Commission 2005/162 / EC of February 15, 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, as well as the criteria described in the Best Practices of WSE Listed Companies 2021.

Agnieszka Modras – Member of the Audit Committee

Member of the Supervisory Board, born in 1979. Legal counsel, graduate of the Faculty of Law and Administration at the University of Warsaw, in 2022 she received a doctorate in social sciences in the subject of management science and quality at the Faculty of Management at the University of Warsaw. Between 2002 and 2004, lawyer in the Warsaw office of Weil Gotshal & Manges. Then, in the period from 2004 to 2015, she was working as Legal Counsel at Sołtysiński Kawecki & Szlęzak law firm. Between 2015 and 2020 she was a director of the legal service department of Bank Pocztowy S.A. From 2020 till 2023 she was a director of the legal department of Bank Gospodarstwa Krajowego. As of February 2023 she is a Director of PayPo S.A. of a Legal and Compliance Department. In the past, an independent member of the supervisory board of ZT Kruszwica S.A. 2020 - 2021, an independent member of the supervisory board and chairman of the audit committee at FCA-Group Bank Polska S.A. (2017-2019), as well as vice chairman of the supervisory board of Immusec sp.z o.o. (2016-2019).

Agnieszka Joanna Modras meets the criteria of independence within the meaning of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as within the meaning of the Annex II to the Recommendation of the European Commission 2005/162 / EC of February 15, 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, as well as the criteria described in the Best Practices of WSE Listed Companies 2021.

Lourens Roets – Member of the Audit Committee

Member of the Supervisory Board, born 1977. Holds a Master of Commerce in Taxation from University of North West in South Africa. He also has a Bachelor of Commerce from University of Port Elizabeth and a Bachelor of Commerce (Honours) from University of KwaZuluNatal / University of Natal. He started his career in the audit department in the South African branch of the PwC company where he worked between 1999-2002. Then in the years 2003 - 2007 he worked as a Corporate Financial Manager at Klein Karoo International. Between 2007 - 2008 he held the position of Senior Audit Manager at BDO Spencer Steward Port Elizabeth. Since 2008, he has been working for Goodyear. Initially as a Controller (2008-2009) and Financial Planner (2009- 2011) in South Africa. Then he held the position of Controller at Goodyear Dunlop Tires Operation in Luxembourg (2012-2013). Between 2013 - 2015 he was Retail Finance Director – Trentyre and Magister in Germiston. Then, from 2015 to 2017 he was working as Director of Internal Audit Europe, Middle East and Africa (EMEA) and from 2017 to 2023 he

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

was the Controller for the entire EMEA region. Since February 2023 he has been working as the Director Finance Transformation EMEA.

In 2023, 6 meetings of the Audit Committee were held.

4.4.4. The manner in which the General Meeting of Shareholders operates and its essential powers, as well as a description of the rights of shareholders and how they are exercised

In accordance with the provisions of the Commercial Companies Code, the General Meeting is convened by means of an announcement made on the Company's website www.debica.com.pl and in the manner specified for the provision of current information, in accordance with the provisions on public offering, conditions governing the introduction of financial instruments to organized trading, and public companies.

The announcement should be made at least twenty-six days before the date of the General Meeting. The General Meeting is convened by the Management Board. The Supervisory Board may convene an Annual General Meeting if the Management Board fails to convene it within the time limit specified in the Commercial Companies Code or the Articles of Association, and an Extraordinary General Meeting if it deems it advisable to convene it. An Extraordinary General Meeting may also be convened by shareholders representing at least half of the share capital or at least half of the total votes in the Company. A shareholder or shareholders representing at least one-twentieth of the share capital may request that an Extraordinary General Meeting be convened and that certain matters be placed on the agenda of that meeting. A request to convene an Extraordinary General Meeting should be submitted to the Management Board in the form of a document.

The General Meeting is opened by the Chairman of the Company's Supervisory Board or his deputy. Then, from among the persons entitled to participate in the General Meeting, the shareholders elect the Chairman of the General Meeting.

In the absence of the Chairman of the Supervisory Board or his deputy, the General Meeting is opened by the President of the Management Board of the Company or a person appointed by the Management Board of the Company. The General Meeting may adjourn the meeting by a two-thirds majority of votes. Breaks may not last more than thirty days in total.

The competences of the General Meeting include:

- reviewing and approving the report of the Company's Management Board and the Financial Statements for the previous financial year, as well as granting approval to members of the Company's governing bodies for the performance of their duties;
- adoption of a resolution on the distribution of profit or coverage of losses;
- change in the Company's business activity;
- amendment of the Company's Articles of Association;
- increase or decrease of the share capital;
- merger and transformation as well as dissolution and liquidation of the Company;
- issuance of convertible bonds or bonds with pre-emptive rights and issuance of subscription warrants
- a provision concerning claims for compensation for damage caused during the establishment of the Company or the exercise of management or supervision;
- sale and lease of an enterprise or its organized part and establishment of a limited property right thereon.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

The matters and resolutions of the General Meeting, in addition to the above-mentioned, require formalities specified in the Commercial Companies Code.

The right to participate in the General Meeting is vested in persons who are shareholders of the Company and who, sixteen days prior to the date of the General Meeting (the date of registration of participation in the General Meeting), submit a request to the entity maintaining the securities account to issue a personal certificate of the right to participate in the General Meeting, in accordance with the provisions of the Commercial Companies Code.

Voting is carried out by means of a computerized system for casting and counting votes, which ensures that votes are cast in the number corresponding to the number of shares held, as well as makes it possible to exclude the possibility of identifying the manner in which votes were cast by individual shareholders in the event of a secret ballot.

General Meetings in 2023 :

- The Annual General Meeting was held on June 27, 2023. The General Meeting adjourned and the second part of the meeting took place on July 24, 2023.

4.4.5. Choosing an audit firm

On 09.11.2023, Annex No. 5 to the agreement No. S419/UB7/2021 dated 12.08.2021 was concluded with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, 11 Polna St., for the audit and review of the Company's financial statements for 2023.

According to the agreement, the remuneration due for the audit and review of the financial statements for 2023 is PLN 355,550 (2022: PLN 317,100).

In addition, in 2023, the statutory auditor provided the service of assessing the Supervisory Board's Report on the remuneration of Management Board members and Supervisory Board members for 2022, based on the engagement letter of 30 January 2023. The remuneration for the service amounted to PLN 23,000.

The Management Board informs that on the basis of the Supervisory Board's statement, the entity authorized to audit the financial statements, auditing the Company's annual financial statements for 2023, has been selected in accordance with the provisions of law and that this entity and the statutory auditors performing this audit have met the conditions for issuing an impartial and independent audit report, in accordance with the provisions of national law.

The main assumption of the policy of selecting an audit firm to conduct the audit was to select a reputable company (from the so-called "Big Four" group) with appropriate experience and guaranteeing high quality of audit services.

4.4.6. Internal control and risk management systems for the processes of preparing financial statements

The Company monitors changes in the financial reporting law on an ongoing basis and is guided by the principles set out in the Accounting Act. The Company's Management Board is responsible for the compliance of the information provided in the financial statements with the provisions of law and the adopted accounting principles.

Financial statements are prepared by the Finance Department on the basis of current legal regulations and accounting principles on the basis of data from internal accounting systems. The prepared reports are then verified by the Chief Financial Officer and the Audit Committee of the Company's Supervisory Board. The tasks of the Audit Committee include, among others monitoring the financial reporting process and the effectiveness of internal control and risk management systems and internal audit, including financial reporting.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

The financial statements approved by the Management Board are verified by an independent audit firm selected by the Company's Supervisory Board based on the recommendations of the Audit Committee.

4.4.7. Diversity policy

At the time of publication of this statement, the Company has not developed a diversity policy with respect to the Company's authorities and its key managers.

At the same time, the Company explains that in the process of hiring managerial staff in the Company, it primarily takes into account such criteria as the competence and experience of the candidate for a given function. The current composition of the Management Board and the Supervisory Board guarantees a great diversity in terms of experience, education and age of the members of the indicated bodies. The Company does not rule out the possibility of developing and implementing a diversity policy in the future.

More information on the approach to the issue of diversity is presented in the section entitled "Statement of Tire Company Dębica S.A. on non-financial information" in the chapter "Respect for human rights and diversity".

5. Non-financial statement

5.1. A concise description of the business model of Tire Company Dębica S.A.

5.1.1. Operations and business environment

5.1.1.1. Core business of the company

Tire Company Dębica S.A. is one of the leading tire manufacturers on the Polish market.

5.1.1.2. Organization and structure of the company

Tire Company Debica S.A. is a leading manufacturer of tires for passenger cars, vans and trucks on the Polish market. Since 1995, the strategic investor in the Company has been the American concern The Goodyear Tire & Rubber Company, which currently through Goodyear Holdings S.à.r.l with its registered office in Luxembourg indirectly holds approx. 87.251% of the Company's share capital.

The company's registered office is located in Dębica (Podkarpackie Voivodeship), where the tire factory is also located. The company conducts production activities in the EURO-PARK MIELEC Special Economic Zone.

Tire Company Debica S.A. does not form a capital group.

Goodyear S.A., is the indirect parent of the Company and, through Goodyear Holdings S.à.r.l. with its registered office in Colmar-Berg, Luxembourg, indirectly holds 87.251% of the Company's shares. The parent company of Goodyear S.A. is The Goodyear Tire and Rubber Company of Akron, Ohio, USA. ("Goodyear T&R" and together with its subsidiaries (excluding the Company) as the "Goodyear Group").

The Company's affairs are managed by the Management Board, which supervises the activities of individual departments.

As of December 31, 2023, the Company had 2,907 employees.

As of December 31, 2022, the Company had 3,059 employees.

As of December 31, 2021, the Company had 3,031 employees.

As of December 31, 2020, the Company had 2,963 employees, and as of December 31, 2019 - 3,109 employees.

Tire Company Dębica S.A. holds the following certifications supporting business management:

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

- quality management: IATF 16949 for the design and manufacture of tires,
- environmental management: ISO 14001 for the production and storage of tires,
- occupational health and safety management: ISO 45001.
- energy management: ISO 50001 for the production of car tires.

5.1.1.3. Products Description

Tire Company Dębica S.A. is a manufacturer of tires for passenger cars, vans and trucks. It offers a wide range of products tailored to the diverse needs of customers, related to:

- changeable weather conditions – the offer includes both summer, winter and all-season tires,
- different surfaces,
- driving style (long or short distances, calm or dynamic driving),
- car brand – the Company provides tires for the original equipment of cars of leading automotive brands,
- financial capabilities (economy, mid-range or premium class).

The company manufactures tires under its own Dębica brand as well as other brands belonging to the Goodyear group, among others Goodyear, Dunlop, Fulda, Sava. In addition, Dębica tires are manufactured by other production plants belonging to the Goodyear group.

Tire Company Dębica S.A. is also a manufacturer of vulcanization membranes for tire production. In 2023, the Company produced over 238 thousand membranes in 237 assortments. These were membranes for the production of motorcycle, aircraft, passenger car, agricultural, truck and heavy earthmoving tires. The membranes were intended for the company's internal use and for export to corporate customers. In total, more than 201,000 membranes were sold to tire manufacturing plants located mainly in Western Europe, North America and Latin America.

In 2023, the Company's sales amounted to PLN 2,992.4 million and was lower by PLN 285.6 million compared to 2022. PLN (i.e. by 8.7%). Sales to foreign markets amounted to PLN 2,722.3 million and accounted for 91.0% of the total sales value, of which 96.6% was the sales to Goodyear with its registered office in Luxembourg. The value of sales to the domestic market amounted to 9.0% of total sales revenues. In 2022, sales to foreign markets accounted for 89.1% and to the domestic market for 10.9% of the total sales value.

Innovative solutions in tire production

Tire Company Dębica S.A. cares about maintaining its advantage on the market thanks to the continuous development of its products and the use of new technologies in the production of tires. In production among others the Company uses the following innovative solutions:

- 3D-BIS technology (three-dimensional tread block locking system) to increase the tire's stiffness and stability on wet and dry roads and improve grip on snow and ice;
- Grip Booster technology, which uses a viscous resin in the compound to make the tire grip better on the road, resulting in better braking and handling grip on wet and dry roads.
- WearControl technology, which provides an optimal balance between wet grip and low rolling resistance over the life of the tire;
- TOPIndicator technology, which makes it easier to monitor tread wear over the life of the tire;
- ActiveGrip technology, which distributes the tire pressure evenly and optimizes the contact area by using all tread zones; this ensures high performance and better handling in winter conditions;
- SnowCatcher technology, which allows for better traction on snow and ice: the central grooves of the tread form a network that works with the snowy ground while driving;

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

- IntelliMax Rib technology for optimal tire pressure distribution, better cornering handling, increased mileage, better wet grip, effective stone removal;
- Sealtech technology, thanks to which, after a puncture of a tire equipped with this technology, drivers can continue driving without having to immediately stop and change the tire on the side of the road.

Investments and new products

Capital expenditures in 2023 amounted to PLN 142,382 thousand and focused mainly on:

- a) purchase of machinery and equipment that allow the factory in Dębica to manufacture technologically advanced products and ensure the highest quality of production;
- (b) actions taken to achieve savings, improve production efficiency, meet health and safety, fire protection and environmental protection requirements;
- (c) purchase and modernization of production equipment;
- (d) reconstruction of production capacity after a fire.

5.1.1.4. Description of the industry and markets in which the Company operates

The situation in the tire industry is described in section 1.5 of this report.

Automotive market:

Registration of new cars in Poland:

The number of new passenger car registrations in Poland in 2023 amounted to 475 thousand units, which translated into an increase of 13.2% compared to 2022. This market trend is noticeable in both the individual and institutional client segments. Individual customers registered 130.6 thousand new cars – 7.4% more than a year earlier. On the other hand, 15.5% more cars (344.4 thousand) were registered by institutional customers in 2023.

Manufacturers of passenger cars of popular brands sold 356.8 thousand vehicles in Poland last year, which means an increase in sales by 10.2% y/y. 2023 was also better for the segment of passenger cars of premium+ brands, of which 118.3 thousand were registered, which translated into a 23.1% increase y/y. These results are particularly noticeable in the context of individual customers, who registered 20.2 thousand new premium+ cars last year, as much as 29.1% more than in 2022. ⁶

New car sales in the EU:

In 2023, the EU car market recorded a solid growth of 13.9% compared to 2022, reaching a full-year volume of 10.5 million units. Last year, all EU markets grew except Hungary (-3.4%). Double-digit growth was recorded in most markets, including the three largest ones: Italy (+18.9%), Spain (+16.7%) and France (+16.1%). Germany, on the other hand, recorded a more modest growth of 7.3% year-on-year. ⁷

Tire manufacturers in Poland – competitive environment

In addition to the Dębica S.A. Tire Company, there are other companies producing for the tire industry on the Polish market. Tires from Asia, mainly from China, are increasingly competing with products from tire factories in Poland.

⁶ <https://autoexpert.pl/artykuly/liczba-rejestracji-nowych-samochodow-osobowych-wzrosła-o-13-2-w-2023-roku>, accessed 20.02.2024

⁷ <https://www.acea.auto/pc-registrations/new-car-registrations-13-9-in-2023-battery-electric-14-6-market-share/>, accessed 20.02.2024

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

5.1.1.5. Key trends and factors influencing the development of the industry and the Company

The prospects for the development of the tire industry will depend, among others on:

- macroeconomic situation;
- development of the automotive industry;
- availability and prices of raw materials;
- regulatory changes;
- changes in the vehicle fleet of consumers;
- countries' policies on access to their markets.

5.1.2. Development strategy – main goals, mission and values

The main objective of Tire Company Debica S.A. is to ensure sustainable business growth while developing the brand. Capital expenditures and further development of the product offering in 2023 allowed the company to continue its strategy of ensuring sustainable business growth while developing the brand.

Values and core competencies

In its day-to-day operations, the Company is guided by the following principles:

- act with integrity – build trust and win over others with honesty and respect;
- protect the good name of the Company;
- empower your team – create an environment where colleagues are inspired by their work, feel good and serve the local community.
- promote collaboration – be closer to colleagues and foster open discussion;
- pursue common goals;
- act dynamically – be open to changes, act quickly and with a specific goal;
- Achieve results – anticipate challenges, seize opportunities, and make bold decisions.

Anticipated development

Tire Company Debica S.A. expects to develop its business based on further development of the production of high-quality tires for passenger cars, vans and trucks, taking advantage of the strategic cooperation with the Goodyear Group, which has been the largest recipient of the Company's products for many years.

Tires for passenger cars

Thanks to the undertaken investments, Tire Company Debica S.A. is increasing its production capacity of premium tires with increasingly larger seat diameters, i.e. 17 inches and above with high and very high speed indexes, which are among the most profitable segments of the tire market. The production of tires aimed at original equipment, which are used in new cars of the world's largest automotive brands, is also being developed. Combined with the production of a wide range of sizes and brands of tires of other sizes, for which there is still a visible demand, the Company is able to respond to the challenges of the dynamically changing passenger car tire market.

Truck tires

In response to the market demand for technically advanced, high-quality truck tires, the Debica S.A. Tire Company modernizes and develops its production capacity in this segment, offering a wide range of sizes and brands. The investment funds allocated in recent years to increase the production capacity of

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

truck tires have allowed the Company to expand its range of products in order to ensure the Company's market competitiveness.

Sealant Service

In response to market demand, Tire Company Dębica S.A. has introduced the so-called post-vulcanization services. The Sealant service consists in filling the tire with a sealing compound so that it seals itself as a result of a puncture and the driver can continue driving. SealTech technology is used in premium tires.

Characteristics of external and internal factors relevant to the Company's development:

Internal factors:

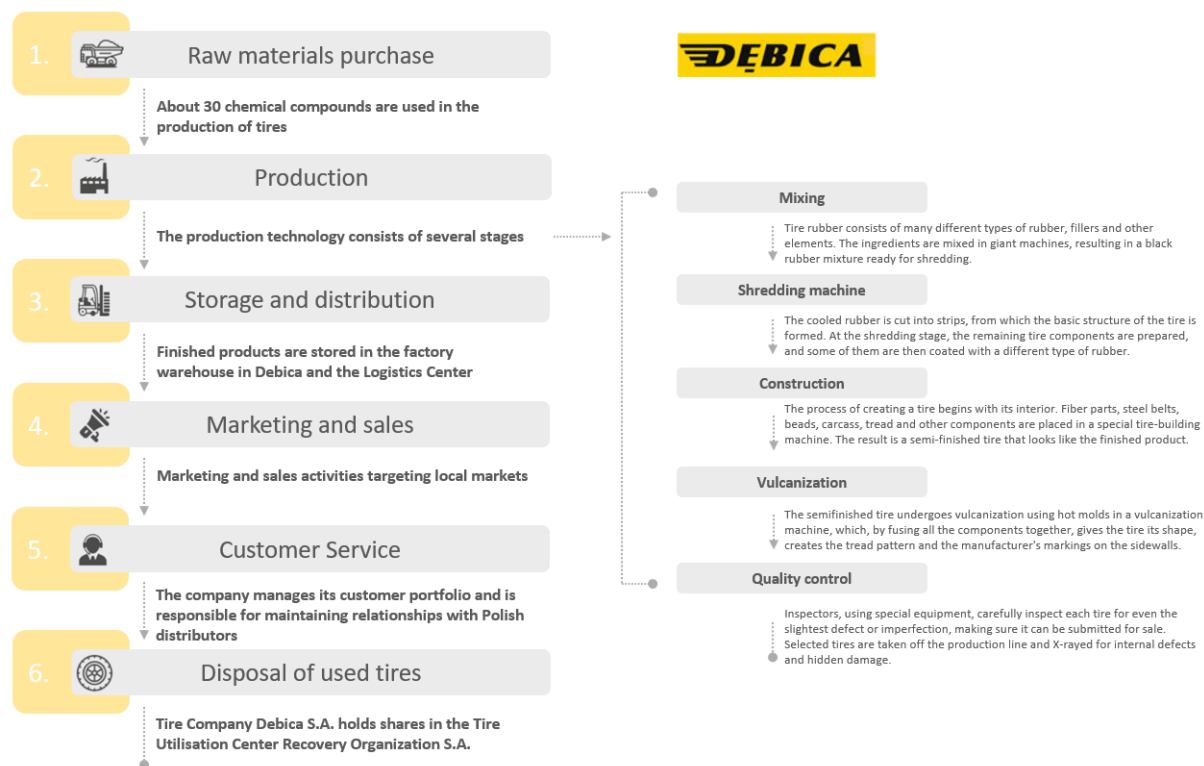
- high quality standards – developing the ability to produce the highest quality tires for cars, vans and trucks;
- extensive product portfolio – expanding the product range with new sizes and models of tires;
- technologies used – the use of technological solutions that meet the growing requirements of customers and market expectations;
- optimization of production – carrying out activities aimed at the most advantageous use of production capacity while maintaining the highest standards of employee safety and product quality;
- providing qualified staff – taking care of the appropriate level of employment and the development of employee qualifications.

External factors:

- macroeconomic situation – the state of the global economy and its impact on the financial situation of customers and consumers;
- development of the automotive industry – dynamics of car production and sales;
- competitiveness of the industry – responding to the challenges related to the growing competitiveness of the tire industry;
- operating costs – the impact of costs related to the operation of a production plant;
- costs of raw materials – changes in the prices of raw materials, which translate into the Company's operating costs.

5.1.2.1. Value Chain

Value chain of Tire Company Dębica S.A.



5.1.2.2. Division of activities of Tire Company Dębica S.A.

The Company supplies Goodyear Operations S.A. with its registered office in Luxembourg with all manufactured tires of the brands belonging to the Goodyear Group, at market prices determined in accordance with the transfer pricing policy of the Goodyear Group, according to which prices are set in such a way that the Company's profit from the sale of tires reaches the equivalent of the market margin.

In addition, the Company sells to Goodyear Operations S.A. tires manufactured by the Company under the Company's brands. The sale of such tires to Goodyear Operations S.A. is also accounted for in accordance with the transfer pricing policy of the Goodyear Group, according to which prices will be set in such a way that the Company's profit on the sale of tires reaches the equivalent of the market margin. The Company has the option (but not the obligation), if necessary, to buy back tires manufactured under the Company's brands from Goodyear Operations S.A. for resale.

- Goodyear Operations S.A., headquartered in Colmar-Berg, Luxembourg, is an affiliate of the Company and a subsidiary of Goodyear S.A., headquartered in Colmar-Berg, Luxembourg ("Goodyear S.A.").
- Goodyear S.A., is the indirect parent of the Company and through Goodyear Holdings S.à.r.l. with its registered office in Colmar-Berg, Luxembourg indirectly holds 87.251% of the Company's shares.
- The parent company of Goodyear S.A. is Goodyear Tire and Rubber Company with its registered office in Akron, Ohio, USA. ("Goodyear T&R" and together with its subsidiaries (excluding the Company) as the "Goodyear Group").

5.1.2.3. The process of creating and selling a product

Tire Company Debica S.A. uses the Integrated Management System Book. It consists of a number of documents that describe the principles of process business management. Each of the identified processes is dealt with by the so-called process owner, who supervises the implementation of a given process and monitors it.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

Ordering, purchasing raw materials and services

About 30 chemical compounds are used in the production of tires. The structure of raw materials used in the production of a standard tire in 2022–2023 was as follows:

- petrochemical materials (synthetic rubber, rubber-derived materials, fabric, carbon black) – about 64%,
- organic materials (natural rubber) – about 23%,
- metals (steel rod, wire, bead, zinc) – about 13%.

Tire Company Dębica S.A. purchases raw materials mainly through the global purchasing centers of the Goodyear Group. The decision to purchase the raw material, the delivery schedule and the exact quantity are determined by Tire Company Debica S.A.

Production

With regard to the production processes of passenger car tires, the production optimization program was continued. A program that allows you to make the best use of the installed production capacity while maintaining the highest standards of employee safety and product quality. It also ensures the highest compliance of the implementation of production plans with the needs of customers.

In the field of truck tires, a similar strategy for the development of production processes was implemented, based on a computerized system including production planning and supervision, as well as automatic collection and archiving of data on the production process and the product. The applied solutions are the highest level of development and efficiency of the tire production process.

Distribution

On the domestic market, the distribution of Dębica tires is mainly carried out by:

- national and regional tire distributors,
- points of sale belonging to the Premio Tires - Autoserwis network,
- authorized service stations of the Goodyear Group,
- tire services,
- online stores.

Waste Disposal

Tire Company Dębica S.A., together with other large tire manufacturers, cooperates with the Tire Utilization Center Recovery Organisation S.A. (CUO). Currently, this company is the largest organization in Poland dealing with the recovery of used tires.

On behalf of entrepreneurs introducing new tires to the Polish market, CUO fulfils obligations under the Act of 11 May 2001 on the obligations of entrepreneurs in the field of management of certain waste and on the product fee. This Act imposes, among others, on manufacturers and importers of tires the obligation to collect in the country and recycle the mass of tire waste not less than 75% of the tonnage of tires placed on the market by them in the previous calendar year.

5.1.3. Other information

The description of the business model of Tire Company Dębica S.A. was developed on the basis of internal documents.

5.2. Management of risks related to the company's operations that have an impact on non-financial issues

5.2.1. Description of the management of material risks related to the Company's operations affecting non-financial issues

Risks related to the external environment

- **Risk related to random events, such as fires, floods, etc.** Tire Company Debica S.A. has implemented anti-crisis procedures and appropriate insurance. The company has fulfilled the obligations imposed by the Environmental Protection Law for the operator of a plant posing a risk of a serious industrial accident. A high-risk plant was reported to the competent authorities, and an industrial accident prevention program and a safety system were developed and implemented.
- **Risk related to changes in environmental law, employee issues or other areas related to non-financial data.** Tire Company Debica S.A. ensures compliance with the legal requirements in the field of non-financial data through ongoing monitoring of the law and regulations by the legal department. The Company actively monitors domestic and international legal systems in order to adapt the Company's internal regulations to changing legal requirements. The Company also implements a training system aimed at preventing any violation of internal regulations.

Risks related to the production process and the product

- **Risks related to the production process and business management.** Tire Company Debica S.A. has developed and implemented detailed anti-crisis procedures (risk prevention) for each process taking place in the Company and conducts extensive training in this area. In addition, the Company has an integrated quality management system based on the highest production standards, with continuous improvement of efficiency and quality in order to provide the customer with the right tires, in the right place, at the right time and at the right price.
- **Risk associated with potential product defects.** In order to prevent this risk, Tire Company Debica S.A. has implemented procedures and processes for managing the entire production cycle, an appropriate complaint process and conducts internal training, operating on the basis of international industry standards.
- **Risk related to the availability and price of raw materials.** To prevent this risk, the purchasing centers of the various companies in the Goodyear Group work together to reduce the risk associated with the unavailability of raw materials.

Risks related to thematic policy areas

Social issues:

- **Transparency regarding social activities.** Tire Company Debica S.A. is involved in activities for the benefit of local communities, in particular in the immediate vicinity of its factory. The Company has adopted the "Better Future" social engagement strategy, which clearly defines the areas of social activities, namely:
 - a) Security – promoting safe mobility to strengthen and protect local communities.
 - b) Capacity building – inspiring the development of educational potential and preparation for professional life.
- **Transparency in donations.** Employees and third parties have a duty to ensure that charitable donations made on behalf of Tire Company Debica S.A. are only given to reliable charitable organizations and are actually used for charitable purposes and not misused. Charitable donations must meet certain criteria. Charitable donations are not offered contrary to government policies or applicable local laws and ordinances. A charitable donation does not constitute (directly or indirectly) a bribe or repayment and is not paid to obtain or preserve business opportunity or to obtain improper benefits. A charitable donation shall be promptly, completely and reliably documented in the

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

Company's books and financial records, in accordance with the relevant provisions of the General Ledger Code relating to charitable donations.

Employee issues:

- **A gap in the labour market.** Due to demographic conditions on a national scale, the Company is facing a challenge related to the shortage of employees and their substitutability (a large number of experienced employees are currently at pre-retirement age). In order to prevent this risk, Tire Company Debica S.A. conducts activities in the field of the so-called employer branding – promoting the Company as an attractive and valuable employer. The Company also constantly updates the Work Regulations, offers a training system for employees, investing in their competences and development, and offers employees attractive benefits, among others medical care packages and subsidies for activities related to physical activity and family life, as well as the Employee Pension Scheme.
- **Relations with trade unions.** Tire Company Debica S.A. adequately manages relations with trade unions operating among employees. The Company is in constant communication with trade unions and has an employee representative on the Company's Supervisory Board.

Environment & Working Environment:

- **The possibility of accidents at work or so-called accident-related events.** Tire Company Debica S.A. has developed and implemented health and safety procedures. The company also has a system of training in the field of occupational health and safety and conducts educational activities, not only among its employees, but also among suppliers providing services at the factory.
- **Risk of a major industrial accident.** Due to the industrial nature of the Company's operations, there is a risk of accidents that may have a significant impact on the environment, e.g. related to the leakage of chemicals used in the production of tires or related to a fire on the premises of the plant. Tire Company Debica S.A. has developed and implemented procedures for preventing serious industrial accidents. Five times a year, exercises are carried out in the field of efficient emergency management in order to minimize the potential negative impact of an accident on the environment. The factory also has gas supply systems and an oil tank treated as a backup fuel source.
- **Environmental negligence of suppliers.** Potential environmental negligence of suppliers may have a negative impact on the natural environment and, consequently, indirectly on the Company's image. Tire Company Debica S.A. has adopted the Code of Conduct for Suppliers, which imposes appropriate obligations and requirements in the field of environmental protection on suppliers.

Respect for human rights and diversity

Tire Company Debica S.A. has internal procedures in place to prevent risks related to respect for human rights and diversity. In addition, the Company has a Code of Professional Ethics and a policy on respect for human rights. Details are described in the chapter on human rights and diversity. The main risks in this area include:

- **Discrimination.** The Company recruits, hires, trains, pays, promotes, and conducts other processes related to the employment and management of employees regardless of race, color, religion, national origin, sex, sexual orientation, age, disability, or any other aspect of diversity. When making any employment-related decisions that affect the career of a given employee or candidate, the Company takes into account only the achievements, qualifications (e.g. education, work experience, competences, etc.) and other similar criteria related to the position held by the employee.
- **Harassment.** The Company prohibits harassment, stigmatization, insult or ridicule of individuals or groups of individuals on the basis of race, color, religion, nationality, sex, sexual orientation, age,

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

disability, or any other reason specified by law. Inappropriate behavior or materials include: offensive nicknames, slander, mockery, epithets, graffiti, puns, posters, calendars, emails, websites, and anything else that we determine to be inappropriate. Inappropriate behaviour also includes undesirable and unwanted behaviour that is intended to create or has the effect of creating an atmosphere of intimidation, hostility or humiliation in the workplace.

- **Violence.** Tire Company Dębica S.A. is guided by a policy of zero tolerance for any manifestations of violence in the workplace. Behaviours such as restriction of freedom of movement, touching or physical assault are strictly prohibited.

Anti-corruption:

Risk related to compliance with ethical principles, including anti-corruption rules, resulting in potential penalties for unethical behavior, lawsuits, reputational damage or criminal sanctions. Tire Company Dębica S.A. has implemented a number of internal policies and procedures to prevent ethical abuse, including corruption, such as the Code of Professional Ethics, procurement policy, supplier verification procedures and the Code of Conduct for Suppliers.

Among the issues related to corruption regulated in the above-mentioned documents are the issue of possible bribes, the policy on giving/receiving gifts, the rules for making donations, and the rules with regard to confidential information.

There are also publicly available mechanisms for reporting possible breaches. The Company conducts educational campaigns and online training in order to properly train employees in the field of counteracting corruption.

5.2.2. Description of managing relations with individual stakeholder groups

Tire Company Dębica S.A. has analysed its stakeholders in order to maintain the highest standards of building relationships with them. As part of the development of the stakeholder map, the Company presents identified groups, individuals or institutions that are influenced by its activities as well as have impact on the Company.

The key stakeholder groups are:

- Shareholders.
- B2B customers – unrelated entities.
- B2B customers – related entities.
- State institutions.
- City authorities.
- Employees.
- Consumer.

These groups are crucial both in terms of the day-to-day management of the organization and can make a significant contribution to the development of Tire Company Dębica S.A.

On the following pages, the expectations of individual stakeholder groups as well as the ways of engaging and communicating with them have been thoroughly analysed.

Stakeholders	What issues of the activity of Tire Company Dębica S.A. are important to them?	Stakeholder engagement
Shareholders	<ul style="list-style-type: none"> positive financial results of the company, maintaining a competitive market position. 	<ul style="list-style-type: none"> activities of the Supervisory Board, regular meetings of the Supervisory Board, establishment and operation of the Audit Committee, organizing meetings with capital market representatives, publication of stock exchange reports (periodic and current), dedicated section on the website, General Meetings of Shareholders.
B2B customers – unrelated entities	<ul style="list-style-type: none"> product offer, commercial offer, close cooperation, on-time deliveries, quick response to quality problems. 	<ul style="list-style-type: none"> ongoing meetings throughout the year, trade negotiations, contact with the sales director.
B2B customers – related entities	<ul style="list-style-type: none"> on-time deliveries, close cooperation, quick response to quality problems. 	<ul style="list-style-type: none"> maintaining constant contact with the main customer.
Government Institutions	<ul style="list-style-type: none"> fulfilment of information obligations, compliance with legal requirements. 	<ul style="list-style-type: none"> submission of reports, documents, statements, etc., direct contact depending on the type of case.
City Authorities	<ul style="list-style-type: none"> care for the natural environment, running an ethical business, creating and maintaining jobs; compliance with legal requirements regarding the environment, health and safety, etc. 	<ul style="list-style-type: none"> face-to-face meetings with city representatives depending on the type of case.
Employees	<ul style="list-style-type: none"> stable, safe operation, development opportunities, health care and insurance. 	<ul style="list-style-type: none"> regular communication, a special "employee service point", a wide range of benefits, functioning of trade unions; functioning of the Collective Bargaining Agreement.
Consumer	<ul style="list-style-type: none"> receiving a high-quality product that meets the highest standards. 	<ul style="list-style-type: none"> marketing communications, communication through information campaigns of the Polish Tire Industry Association.

5.3. Non-financial performance indicators related to the operations of Tire Company Debica S.A.

As part of the work on the "Statement on non-financial data", Tire Company Debica S.A. analysed and selected key non-financial performance indicators in individual policy areas.

In the field of human capital management, the key indicators are the structure of employment, employee training and benefits, and the relationship between the employer and employees. With regard to ethics, equality and diversity as well as human rights, Tire Company Debica S.A. focuses on training employees in the field of policies and procedures, as well as strives to ensure that 100% of new employees are familiar with the Code of Professional Ethics. Regular communication and training on anti-corruption policies and procedures are also part of activities in this area. The indicator to be audited is the percentage of new employees who have become familiar with the anti-corruption rules contained in the Code of Professional Ethics.

The plant in Debica closely monitors indicators in terms of the impact on the natural environment and the working environment, such as: water consumption, reduction of energy consumption and occupational safety. Participation in industry initiatives and local social involvement are also important for the Company. The company regularly participates in the Children's University of Technology initiative and continues its activities in the field of road safety.

All indicators are described in detail in the next chapter under the respective policy areas.

5.4. Description of the different policies, due diligence procedures and results

5.4.1. General assumptions of the Company's activities in the area of sustainable development

Tire Company Debica S.A. carries out activities in the area of sustainable development on the basis of the "Better Future" program. As part of this program, the company decides to implement and support projects with a positive impact on the lives of people, local communities and the entire planet.

Key actions and priorities

The priorities for sustainable development are:

- **road safety:** promoting safe mobility to strengthen and protect local communities;
- **capacity building:** inspiring people to realize their educational potential and prepare for working life;
- **sustainability:** reducing waste and saving our planet's energy sources.

Approach to action

An important factor ensuring the success of Tire Company Debica S.A. is the appropriate approach of employees to the tasks they perform. In their daily work, each employee should be guided by the following values:

- honest conduct – build trust and win over others through honesty and respect. In this way, we can protect the good name of Tire Company Debica S.A.;
- stimulating the team to act – create an environment in which co-workers draw inspiration from work, feel good in it and serve the local community;
- promote collaboration – be closer to colleagues and foster open discussion while pursuing common goals.
- dynamic action – you need to be open to change, act quickly and with a specific goal;
- achieving results – anticipate challenges, seize opportunities and make bold decisions.

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

All regulations in the field of ethics, values, equality, diversity and anti-corruption are contained in the Code of Professional Ethics. It helps the employees of Tire Company Debica S.A. to understand the Company's commitment to comply with the highest ethical and legal standards in conducting business, facilitates the proper assessment of the situation and behaves in an appropriate manner, and provides information on how to report possible violations of the rules.

Implementation documents in the area of sustainable development

In the next part of the "Statement" we will present the key documents that regulate the area of sustainable development in Tire Company Debica S.A. in relation to specific issues such as: social, environmental, human rights and diversity policy and employee policy.

5.4.2. Description of the entity's due diligence policies and procedures in relation to:

5.4.2.1. Social Issues

Content:

- Principles in the area of social issues
- The Company's priorities in the field of social issues
- Management bases and due diligence procedures
- Results of the Company's policies and activities in this area in 2019-2023

Principles in the area of social issues

Tire Company Debica S.A. is guided by the principle of being a good, valued neighbor in the community in which it operates. Thanks to cooperation with local partners and activities undertaken, among others as part of employee volunteering, the company responds to local needs and strengthens its commitment to the good of the local community.

The company engages in cooperation with entities with high recognition and credibility in the local community, and also inspires its employees to undertake activities as part of employee volunteering. Due to the nature of its activity, which is the production of tires, Tire Company Debica S.A. has a twofold potential negative impact on the local community: on the one hand, there is a risk of environmental failure, and on the other hand, the transport of raw materials and finished products may cause increased car traffic in the area.

That is why Tire Company Debica S.A. attaches particular importance to the issues of safety and environmental protection, applying both internal procedures and instructions for preventing breakdowns, as well as undertaking initiatives related to road safety. In 2023, as in 2022, 2021, 2020 and 2019, there were no breakdowns or accidents related to the impact of the factory's operations on the local environment. The fire in a part of the passenger tire production hall on August 20, 2023 did not constitute an industrial accident within the meaning of the relevant regulations.

The Company's priorities in terms of social engagement are:

- road safety: promoting road safety to strengthen and protect local communities;
- capacity building: inspiring young people and adults to fulfil their educational potential and prepare them for professional life;
- integration with the local community in Debica.

Management bases and due diligence procedures

The approach to social engagement in Tire Company Debica S.A. is defined in the "Better Future" program. With regard to the impact of the factory's operations on the environment, the policies, standards and tools described in Chapter 4.4.2.3 entitled "Natural Environment" apply, where quality and safety management processes are comprehensively presented.

Results of the Company's policies and activities in this area in 2019-2023

Road safety

"Cooperation within the Polish Tire Industry Association

As a member of the Polish Tire Industry Association (PTIA), Dębica S.A. actively participates in activities aimed at increasing drivers' awareness of the impact of tires, their quality and technical condition on road safety. The company supports the organization of information campaigns and press materials on driving safety.

In 2023, PTIA continued its #OponyMająMoc campaign, in which it makes drivers aware of the 3P rule (Decent tires, Professional service, Correct pressure) through video materials from tests on the track and showing truths and myths about tires posted on the campaign website (www.oponymajamoc.pl). The campaign was carried out in spring and autumn in digital channels in the form of banners and animated spots.

The "Tire Certificate of the Polish Tire Industry Association" program was also continued, carried out in cooperation with TÜV SÜD, which is an assessment of the quality of tire services. Since tires are the only point of contact between the vehicle and the road, professional tire services have a very important impact on road safety. A dedicated www.certyfikatoponiarski.pl website has been created, where you can find all the information related to the project, learn about the criteria and procedure, find workshops that already have a certificate, and, most importantly, submit your service to it.

Selected press materials published on the PTIA website and sent for publication in the media in 2023:

- "Buying new tires. Choosing with the heart or with the mind?"⁸
- "Summer tires? Better a week too late than a week too early."⁹
- "Have you checked the tires yet?"¹⁰
- "Safe Christmas on the road"¹¹

In 2022, the Association initiated the preparation of the "Tire Academy" project, which was launched in 2023. The aim of the project is to prepare a training program and a training place with equipment, where garage employees will be able to increase their competences in the field of tire servicing in an open formula.

Capacity building

- **Children's University of Technology**

The company supports the classes of the branch of the Children's University of Technology in Dębica. The classes are conducted by the Foundation for the Support of Education at the Aviation Valley Association.

The Children's University of Technology is a class for primary school students, which consists of interactive lectures, covering fields such as chemistry, physics, mathematics, construction, biology, aviation and all others related to the polytechnic industry. To conduct lectures, teaching aids are used, appropriately adapted to the age of the students. Lectures are given by academics, industry specialists, science communicators and students with the right knowledge, approach and charisma.

Through interesting and developing activities, they strengthen children's interest in these fields of science. By taking advantage of the natural curiosity of the world in the youngest and stimulating the imagination, they motivate them to further development.

⁸ <https://pzpo.org.pl/kupno-nowych-opon-wybor-sercem-czy-rozumem/>, accessed [29.02.2024]

⁹ <https://pzpo.org.pl/opony-letnie-lepiej-tydzien-za-pozno-niz-dzien-za-wczesnie/>, accessed [29.02.2024]

¹⁰ <https://pzpo.org.pl/sprawdziliscie-juz-opony/>, accessed [29.02.2024]

¹¹ <https://pzpo.org.pl/bezpieczne-swieta-na-drodze/>, accessed [29.02.2024]

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

The organizers of DUT have prepared several types of meetings: lectures and workshops available to registered users, as well as the so-called Scientific Sundays, which are available without restrictions. In 2023, lectures and workshops were held on-site, in groups. In 2023, 2 workshop meetings, 4 lectures, 1 Scientific Sunday were held.

Each semester consists of a number of lectures corresponding to the number of academic months, i.e. the winter semester lasting from October to February of the following year consists of 5 meetings, while the summer semester lasting from March to June of a given year consists of 4 meetings. The lectures can be attended by students from the Dębica district and a dedicated number of children of employees of Tire Company Dębica S.A. (each semester it is a pool of 30 places for employees' children).

In the winter semester 2023/2024, 220 children applied for classes, of which 160 participants were drawn. For comparison: in the winter semester 2022/2023, 197 children registered for lectures, while 120 children from the Dębica district signed up for the workshops. In the winter semester 2021/2022, 177 children registered for online lectures and 125 children for workshops. In the winter semester 2020/2021, 176 children were registered. In the summer semester 2019, 246 children participated in the classes, and in the winter semester 2019/2020, 255 children took part in the classes. The number of participants in all semesters so far has been 5,091.

- **Support for students of the Eugeniusz Kwiatkowski School Complex No. 2 in Dębica**

Pursuant to the Agreement concluded in 2010, the Company accepts students from classes of IT technician, electronics technician and electrical technician for internships. Internships take place in the second semester. In addition, under the Agreement, the Company annually awards a scholarship to the four most talented students, in the amount of PLN 300 per month in the period from September to June. The scholarship is awarded on the basis of the criteria included in the Agreement, i.e.: average grade, behavior grade, attendance, participation in school and extracurricular competitions, participation in interest groups, etc.

In 2023 (as in previous years), the scholarship was awarded to two students from the IT technician class and one student each from the electrical technician and electronics technician classes.

Integration with the local community of Dębica

- **Opening the Kosmos Culture Centre in Dębica to the Association of Parents and Friends of the Disabled "Radość"**

In October 2020. The Company decided to make the building of the Kosmos Company Culture Centre (owned by the Company) available to the Association of Parents and Friends of the Disabled "Radość". Guided by a responsible approach and aiming at strengthening and developing the local social community, the Company decided to cooperate with the Radość Association - a recognized public benefit organization operating in Dębica. With its achievements, the Association has proven that it properly supports people who need help the most. Thanks to the efforts of the Association's team, the disabled become active members of the community, developing by working for the benefit of all residents of Dębica.

The aim of the Association is to create the most favorable conditions for the full physical and personal development of people with mental and physical disabilities, as well as to enable them to actively and dignified participation in social life, as well as to help their families.

The objectives of the Association of Parents and Friends of the Disabled "Radość" are pursued through:

- Actions to meet the normal and special needs of people with disabilities in terms of care, treatment, including rehabilitation, education, work, sheltered housing, participation in culture and recreation, integration into the open environment, as well as social security and legal protection
- Providing support and assistance to children with disabilities and their parents

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

- Cooperation with central and local government administration bodies, the Catholic Church, social organizations, as well as institutions and individuals in the implementation of the statutory objectives of the Association.
- Conducting educational and training activities in relation to parents and guardians of disabled children.
- Organizing membership self-help aimed at counteracting feelings of resignation, loneliness and helplessness among children with disabilities and their families.
- Conducting an information and awareness campaign aimed at full integration of disabled children and their families with the non-disabled society and shaping mutual attitudes.
- Participation in charity campaigns to help disabled children, as well as collecting funds for treatment, care, rehabilitation and leisure of the above-mentioned people.
- Creating and conducting Occupational Therapy Workshops for people with disabilities.
- Supporting unemployed people with disabilities in their search for a job in the open labour market.
- Cooperation with local authorities, institutions, organizations and individuals in the field of obtaining funds for statutory activities.
- Cooperation with the media in order to create a positive climate around the organization, popularize the Association's activities for the benefit of the disabled, bring the problems of the people under its care closer to the community of healthy people.¹²

5.4.2.2. Employee issues

Content:

- Principles in the area of employee issues
- The Company's priorities in the area of employee issues
- Management bases and due diligence procedures
- Results of the Company's policies and activities in this area in 2019-2023

Principles in the area of employee issues

Tire Company Dębica S.A. is guided in its activities by the principle of the highest care for its employees.

The Company's priorities in the area of employee issues

The Company's priorities in terms of employee issues are included in the Zero Tolerance Policy and include:

- disapproval of all acts of harassment, discrimination and violence;
- non-acceptance of any form of forced labor or human trafficking – the Company guarantees and promotes freedom of employment;
- lack of acceptance of child exploitation, including child labour;
- ensuring freedom of association and membership of organisations (e.g. trade unions) and the right to refuse to join organisations;
- comply with applicable laws and regulations regarding wages and hours worked;
- providing a safe workplace.

Management bases and due diligence procedures

Tire Company Dębica S.A. applies due diligence procedures at the following levels in relation to employee issues:

- A) At the level of meeting the requirements set out in the legal order of the Republic of Poland.
- B) At the level of the Company's implementation documents – from the Work Regulations and the Code of Professional Ethics to instructions on individual procedures and processes.

¹² Website of the Association of Parents and Friends of People with Disabilities "Radość" <https://radosc.debica.pl/o-nas/>, accessed on 16.03.2021.

A) Legal order

The Company undertakes all its activities in accordance with the applicable legal order in the Republic of Poland. That is why the Tire Company Debica S.A. operates in accordance with the basic legal act regulating the mutual rights and obligations of the parties to the employment relationship, which is the Labour Code (Journal of Laws of 1974, No. 24, item 141).

B) Implementation documents in the area of human resources management

The main policy-level documents defining this area are:

- **Work Regulations**, the updated version of which came into force in August 2023, covering such issues as: employee duties, Company obligations, work organization, law and order, working time, remote work, granting sick leave and holidays, date, place and time of payment of remuneration, termination of employment contracts, personal data protection, **monitoring in the company**, occupational health and safety and fire protection. The Work Regulations also contain provisions concerning sobriety and alcohol-like substance controls, mobbing prevention and how to deal with reporting a situation bearing the hallmarks of mobbing.
- **The Code of Professional Ethics**, which in the area of employee issues defines in detail such issues as: mutual respect, universal human rights policy, prohibition of discrimination, prohibition of harassment, prohibition of violence, compliance with health and safety rules at work, prohibition of the use of narcotic drugs, protection of employees' personal data.
- **The Code of Conduct for Suppliers** implemented in Tire Company Debica S.A., which clearly states that the company expects its suppliers to comply with applicable labor laws regarding remuneration and working time (including regulations on minimum wages, overtime and benefits), freedom of association (suppliers are required to recognize and respect the rights of employees to join the organizations of their choice or to refrain from joining the organisation concerned), respect the right of workers to bargain collectively through their elected representatives (if the trade union has been elected in accordance with applicable law).
- **The "Zero Tolerance" policy**, which concerns the non-acceptance of any acts of harassment and discrimination based on race, color, religion, nationality, gender (including pregnancy), sexual orientation, age, disability, veteran status or any other reason specified in the law, committed by employees and persons outside the company (including, for example, persons applying for employment in the company, contract workers or temporary visitors, customers, representatives of trade and consulting firms). The "Zero Tolerance" policy also extends to all forms of violence in the workplace. The provisions of this policy apply primarily to employees, but where necessary, they also apply to non-employees, i.e. interns, apprentices, subcontractors and temporary workers, visitors, customers, suppliers and consultants.

In terms of implementation in each area of human resources management, Tire Company Debica S.A. has procedures and instructions. A complete list of documents can be found on the Company's intranet.

Results of the Company's policies and activities in this respect in 2019, 2020, 2021, 2022, 2023

Employment structure

The key indicators related to employee issues for Tire Company Debica S.A. include, among others, the structure of employment in the company, taking into account gender, type of contracts, type of work and the offer of employee benefits.

It is worth noting that most employees are employed for an indefinite period of time. At the end of 2023, the data was as follows:

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

On 31.12.2023	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	46	443	489	0	388	101
Men	139	2279	2417	1	2242	176
Total	185	2722	2906	1	2630	277

On 31.12.2023	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	9,41%	90,59%	100%	0%	79,35%	20,65%
Men	5,75%	94,25%	99,96%	0,04%	92,72%	7,28%
Total	6,36%	93,64%	99,97%	0,03%	90,47%	9,53%

On 31.12.2022	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	60	456	515	1	412	104
Men	169	2 374	2 542	1	2 361	182
Total	229	2830	3057	2	2773	286

On 31.12.2022	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	11,63%	88,37%	99,81%	0,19%	79,84%	20,16%
Men	6,65%	93,35%	99,96%	0,04%	92,84%	7,16%
Total	7,49%	92,51%	99,93%	0,07%	90,65%	9,35%

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

On 31.12.2021	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	34	465	498	1	395	104
Men	129	2 403	2 531	1	2 344	188
Total	163	2 868	3 029	2	2 739	292

On 31.12.2021	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	6,8%	93,2%	99,8%	0,2%	79,2%	20,8%
Men	5,1%	94,9%	100,0%	0,0%	92,6%	7,4%
Total	5,4%	94,6%	99,9%	0,1%	90,4%	9,6%

On 31.12.2020	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	9	481	490	0	386	104
Men	81	2 392	2 472	1	2 283	190
Total	90	2 873	2 962	1	2 669	294

On 31.12.2020	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	1,8%	98,2%	100,0%	0,0%	78,8%	21,2%
Men	3,3%	96,7%	100,0%	0,0%	92,3%	7,7%
Total	3,0%	97,0%	100,0%	0,0%	90,1%	9,9%

On 31.12.2019	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	77	448	524	1	418	107
Men	321	2 263	2 584	0	2 389	195
Total	398	2 711	3 108	1	2 807	302

On 31.12.2019	Type of contract		Type of job		Type of position	
	Fixed-term	Indefinite	Full-time	Part-time	Blue-collar worker	White-collar worker
Women	14,7%	85,3%	99,8%	0,2%	79,6%	20,4%
Men	12,4%	87,6%	100,0%	0,0%	92,5%	7,5%
Total	12,8%	87,2%	100,0%	0,0%	90,3%	9,7%

Training

In 2023, Tire Company Dębica S.A. She undertook activities in the area of human resources management. The key activities included, among others, training for employees, which are planned on an annual basis. Training forecasts are developed on the basis of:

- obligatory training, qualifications,
- customer requirements, standards requirements,
- analysis of training needs carried out together with managers.

Required (entitlement) trainings are planned until the end of November each year. In November and December, recommended trainings are planned, resulting from the needs analysis. The forecast includes the number of 'training units', i.e. the number of people who are expected to participate in a given training, broken down by month.

The most important training-related metrics include:

- Delivery of training in relation to the number of trainings planned (this is the number of trainings completed/number of trainings included in the training plan);
- Multi-occupation (this is a figure showing the number of positions for which an employee is licensed). This indicator is measured on a monthly basis. This ensures an appropriate level of job rotation that zone managers can make when manning brigades;
- Percentage (%) of job credentials obtained on the first attempt at the exam;
- Number of newly hired blue-collar workers in pre-certification training.
- Number of incidents involving new employees (monitoring of the first 6 months of employment from the moment of recruitment).

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

In 2023, every new hire participated in the Onboarding process – a basic training session introducing the organization using internal experts and a practical training center (DOJO).

Tire Company Dębica S.A. monitors the implementation of the training forecast on a monthly basis. In 2023, there were 5,261 "training units", compared to 5,444 in 2022. In 2021, 4927 training units were conducted, in 2020: 4827 and 6001 units in 2019. A 'one-off' monitoring indicator has been adopted, as training participants may be repetitive. Tire Company Dębica S.A. constantly supervises the number of training participants.

Employee benefits:

- **Private medical care package and on-site outpatient clinic**

In 2023, Tire Company Dębica S.A. continued to provide employees with specialist medical care at the Company Outpatient Clinic in Dębica. The cost of care is fully covered by the Company, the Employee pays only the social security contribution and the tax on the value of specialist care (not related to occupational medicine).

The company strives to actively help employees who need medical assistance and is systematically developing its outpatient clinic in Dębica. In 2017, the clinic was expanded to include a rehabilitation room, where employees and their family members will be able to take advantage of:

- consultation with a physiotherapist,
- physical therapy, including: phonophoresis, electrostimulation, galvanization, local cryotherapy, laser, magnetic field, currents, ultrasounds, iontophoresis,
- kinesitherapy, including: instructional and rehabilitation exercises, individual therapy.

In addition, the entire clinic has undergone renovation and has been available in a new version since 1 December 2017. It now meets all the latest standards, and the 1st floor can be reached by elevator – which is especially important for people with problems navigating stairs.

- **Provident and Loan Fund**

Tire Company Dębica S.A. also runs a Provident and Loan Fund (KZP) for its employees. Any employee who is employed under a contract for an indefinite period of time can enroll in KZP. To do this, you need to go to the Employee Service Point in Dębica and fill in the appropriate application and pay the registration fee of PLN 50.

From that moment on, a monthly contribution to KZP in the amount of 2% of the gross salary is deducted from the employee's salary. Loans granted by KZP are interest-free for the entire repayment period.

- **Company Social Benefits Fund**

Co-financing from the Company Social Benefits Fund (ZFŚS) is carried out in the following scope:

- co-financing of holidays
- financial support in difficult random situations
- conducting sports and recreation activities
- conducting cultural and educational activities

Co-financing from the Company Social Benefits Fund is awarded to:

- employees employed by the Company on the basis of an employment contract, regardless of the length of employment;
- former employees who are on a pension, pension or pre-retirement benefit, and the Tire Company was their last place of work;
- family members.

Benefits paid under the Company Social Benefits Fund depend on the employee's life and financial situation and the social criterion.

- **Group Insurance**

The Company's employees may join the Group Insurance, the purpose of which is to provide a sense of security to the insured and their relatives through financial support in the event of unforeseen random events.

Spouses, partners and adult children can also be registered for insurance. The premiums negotiated by the Company and the level of benefits are more competitive in comparison with individual insurances.

- **Employee Pension Scheme**

The Company continued to offer the Employee Pension Scheme (PPE) for the Company's employees, launched in 2018, which is one of the most advantageous forms of savings under the pension system.

Every employee can apply for the program and build their retirement future at no cost. As a result, the Company helps employees achieve a higher pension by paying **a monthly contribution for the employee at the level of 4%** of the employee's salary constituting the basis for calculating pension and disability insurance contributions.

The relationship between employer and employees

An important issue in the area of employee issues is the existence and functioning of the Collective Bargaining Agreement. The agreement was concluded between the company and the trade unions operating in the company, i.e. NSZZ "Solidarność" and ZZ Chemików.

The purpose of the agreement is to create conditions for the implementation of the strategy adopted by the Company and the achievement of the assumed economic results, while at the same time providing employees with appropriate working conditions, remuneration and other benefits.

5.4.2.3. Environment

Content:

- Environmental principles
- The Company's priorities in the field of the natural environment
- Management bases and due diligence procedures
- Results of the Company's policies and activities in this respect in 2019, 2020, 2021, 2022, 2023

Environmental principles

Tire Company Dębica S.A. in its activities, is guided by the principle of the utmost care for the natural environment, as well as occupational health and safety and the quality of the products offered.

The Company's Management Board is aware of issues related to the impact of climate change. At present, however, this issue has no material impact on the financial statements, and its future effects on the Company's operations and business plans are difficult to predict. The Management Board will continue to monitor issues related to the impact of climate change on its business and take appropriate action as the situation develops.

The Company's priorities in the field of the natural environment and the working environment

The Company's priorities in the field of environmental protection¹³ are as follows:

- Continuously minimize the impact on the environment by segregating and reducing waste, reducing emissions to air, soil and water, and preventing major accidents.
- Improving the energy performance by ensuring the availability of information and all resources necessary to achieve goals and perform tasks, supporting the purchase of energy-efficient products and services, and improving the efficiency of processes.

¹³ Quality, environmental, occupational safety and energy policy of T.C. Dębica S.A., May 2021.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

- Continuous improvement of the safety of the working environment by involving employees in activities for the benefit of occupational health and safety, using safe working methods, raising the awareness of the staff in the field of ergonomics, improving the safety of machinery and equipment, as well as promoting and consolidating safe behaviors among all employees on the Company's premises.

Within these issues, the plant's employees work in the so-called subcommittees of the PEC Foundation (People Environmental Care) as part of Production Optimization. In 2023, the work of the DRA (Dynamic Risk Assessment) Subcommittee at the Truck Tire Production Department continued. A very strong emphasis was placed on issues related to work ergonomics. The work of the company-wide subcommittee was continued, which assessed 97 activities in terms of ergonomics, 4 projects reducing ergonomic risks were implemented.

The plant has a DOJO room training center, where one of the elements is OHS-related topics. There you can find training materials in the form of simulators of the most common threats occurring on the company's premises and training videos on these very threats. In 2023, all new hires were trained there. The Company's employees are also constantly involved in projects aimed at improving safety.

Management bases and due diligence procedures

Tire Company Dębica S.A. applies due diligence procedures at three levels in relation to environmental protection and occupational health and safety:

- A) At the level of meeting the requirements set out in the legal order of the Republic of Poland.
- B) At the level of the Company's management norms and standards.
- C) At the level of the Company's implementation documents – from the Integrated Management System Book to instructions for individual processes and activities.

A) Legal order

All activities are undertaken by the Company in accordance with the applicable legal order in the Republic of Poland. That is why Tire Company Debica S.A. operates in accordance with the following acts:

- Environmental law of 27 April 2001, consolidated text of 09.12.2022
- Waste Act of 14 December 2012, consolidated text of 03.03.2022
- Labour Code Act, consolidated text of 09.06.2022
- Act of 11 May 2001 on the obligations of entrepreneurs in the field of management of certain wastes and on the product fee, consolidated text of 08.10.2020
- Act of 13 June 2013 on Packaging and Packaging Waste Management, consolidated text of 22.02.2019
- Act of 17.07.2017 – Water Law, consolidated text of 14.10.2021
- Act of 15.05.2015 on Substances that Deplete the Ozone Layer and on Certain Fluorinated Greenhouse Gases, consolidated text of 08.10.2020
- Nature Conservation Act of 16.04.2004, consolidated text of 23.03.2022
- Act of 07.07.1994 – Construction Law, consolidated text of 02.12.2021
- Act of 24.08.1991 on Fire Protection, consolidated text of 05.09.2022
- Act of 17.07.2009 on the system for managing emissions of greenhouse gases and other substances, consolidated text of 03.03.2022
- Act of 12.06.2015 on the Greenhouse Gas Emission Allowance Trading System, consolidated text of 07.04.2022

B) Norms and standards of governance

- IATF 16949 **Technical Specification** defining the standards of quality systems in the global automotive industry, in particular the requirements for the quality system for products in the field of design or development, production, installation and servicing in the automotive industry. The implementation of the specification has been confirmed by the IATF (International Automotive Task Force) certificate ¹⁴number 429708, issued by Bureau Veritas on October 19, 2018, valid until October 18, 2021. The recertification audit for the IATF 16949 standard was carried out in June 2021.
- The ISO 14001:2015 environmental management standard requires continuous improvement in the activities of a given organization based on risks and opportunities, on the basis of which environmental goals, tasks and programs are built. The implementation of the standard has been confirmed by certificate no. BE012053 issued by Bureau Veritas on September 4, 2018, valid until September 3, 2024.
- Occupational Health and Safety Management System based on the ISO45001:2018 standard, which comprehensively captures the management of this area in the Company and constitutes a commitment to continuous improvement. The implementation of the Occupational Health and Safety Management System has been confirmed by certificate no. UK011118 issued by Bureau Veritas on January 3, 2022, valid until January 30, 2025.
- ISO 50001:2011 **standard** for cost reduction, reduction of greenhouse gas emissions and energy efficiency of the company. The implementation of the standard has been confirmed by the certificate no. BEL-170040/EnMS issued by Bureau Veritas on March 29, 2017 (the audit for the implementation of the standard was carried out on January 12, 2017), valid until March 28, 2023.

C) Implementation documents in the area of environment and occupational health and safety

Main documents at policy level

- Quality, environmental, occupational safety and energy policy for Tire Company Dębica S.A. approved in June 2023 by the Production Director.
- Integrated Management System Book.
- System Procedures
- Operational Instructions

Selected documents implementing due diligence procedures in the Company with respect to operating activities are presented below.

Environmental risk management

Instructions specifying the methodologies for the assessment of individual environmental aspects for all organizational units of the plant, allowing, among others, to properly manage risk in relation to the environmental management area.

Waste management

Ordinance No. 1/2019 of the General Director of Tire Company Dębica S.A. of 15 February 2019 on the instructions for handling waste, which introduces the "Instruction for handling waste in Tire Company Dębica S.A." in order to comply with the requirements of the law in force in the field of waste management.

Prevention of major industrial accidents

On 23.06.2023, the instruction for counteracting major industrial accidents was updated, specifying the Emergency Rescue Organization System in the Company, issued in order to prepare Tire Company Dębica S.A. to act in the event of a serious failure caused by the Company's operations.

¹⁴ <https://www.iatfglobaloversight.org/about-iatf/>, accessed 29.03.2021.

Occupational health and safety

- OHS Instruction – a system for reporting, recording and analysing accident-related events (Near Miss).
- Ordinance No. 1/2016 of the General Director of Tire Company Debica S.A. of 11 April 2016 on internal transport implementing the "Instruction for internal transport in Tire Company Debica S.A." in order to improve work safety and improve the management of internal transport means.
- Ordinance No. 2/2008 of the General Director of Tire Company Debica S.A. of 18 March 2008 on the "Instructions for conduct in the event of fire".
- A complete list of documents can be found in electronic databases, which are made available in paper form to employees without access to computers.

Results of the Company's policies and activities in this area in 2019-2023

Updating internal regulations

In 2023, in the light of the applicable legal regulations, it was necessary to update the "integrated permit" decision issued by the Marshal of the Podkarpackie Voivodeship on 30.05.2023 and 18.09.2023.

The update of the decision concerned mainly changes in the field of water and sewage management and fuel combustion in the Company Heating Plant, in a situation related to the need to ensure energy security for the Plant. In order to complement the care for the natural environment and fully control the impact of the Plant's operations on water quality, the Marshal's Office of the Subcarpathian Voivodeship accepted the Company's proposal to conduct additional monitoring of the water quality of the Wisłoka River at two points above and below the point of introduction of industrial and rainwater treated at the Plant Treatment Plant into the river. The Marshal determined the frequency of taking water samples from the river once a quarter and defined the scope of monitoring. The measurements taken so far confirm that there is no significant impact of the Plant's operations on the quality of the Wisłoka River.

Water consumption

In recent years, Tire Company Debica S.A. has been implementing a program to reduce water consumption for social purposes by building employee awareness of the protection of natural resources. The increase in water consumption in 2019 is due to the increased number of employees. On the other hand, the increase in water consumption for social purposes in 2021 is related to the implementation of sanitary recommendations aimed at limiting the spread of the SARS-CoV-2 virus. The reduction in water consumption for social purposes in 2022 was mainly due to the restrictions introduced by the Regulation of the Council of Ministers of 13 May 2022 regarding the epidemic threat. Thanks to the increase in production efficiency, it was possible to achieve lower water consumption per ton of product, which remains at a similar level in 2021-2022. In 2023, the consumption of water for industrial purposes increased mainly as a result of the fire. Part of the increase was water used to extinguish the fire, and the other part of the increase occurred due to restrictions in the operation of the closed water circuit as a result of the fire. Drinking water consumption has decreased, mainly due to post-fire restrictions.

Table: Water consumption for social purposes in 2019-2023 (in thousand m3):

2019	2020	2021	2022	2023
112	91	127	112	97

Table: Amount of water in m3 per tonne of product in 2019-2023:

2019	2020	2021	2022	2023
3,9	4,5	3,1	3.2	4

Environmental fees

Between 2019 and 2022, the amount of environmental fees in relation to production volume remained at a similar level. Environmental fees in 2023 remained at a level comparable to previous years, however, due to the reduced production volume, the environmental fee ratio for 2023 increased.

Table: Environmental fee index per tonne of product in 2019–2023 (in PLN per tonne of product):

2019	2020	2021	2022	2023
1,8	1,9	1,8	1,9	2,3

Emissions to the atmosphere

Tire Company Dębica S.A. strives to reduce the emission of pollutants from production processes. It ensures the effective operation of air protection devices, eliminates the consumption of gasoline which is a source of volatile organic compounds, and implements projects aimed at optimizing heat consumption in the factory. The increase in carbon dioxide emissions in 2021 and 2022 was due to an increase in production levels, as well as increased operation of ventilation systems and regular ventilation of rooms. This, in turn, resulted from recommendations to reduce the risk associated with exposure to SARS-CoV-2 in the workplace, which in turn had an impact on increasing the demand for heat in all facilities and extending the heating season in order to protect the health of people working in the factory as widely as possible during the COVID-19 epidemic. In 2022, electric heating was installed in some of the social rooms, which contributed to reducing the demand for heat supplied from the Company's Heating Plant and, consequently, also to reducing carbon dioxide emissions. In 2023, the largest contribution to the decrease in CO2 emissions was due to fire and its consequences – production cuts. In addition, measures were taken to optimise gas consumption and thus CO2 emissions.

Table: Carbon dioxide emissions from the fuel combustion process in 2019-2023 in thousand tonnes:

2019	2020	2021	2022	2023
35	34	39	37	33

Energy consumption

In 2023, further projects were completed to improve our energy efficiency. As a result, the consumption of natural gas was reduced by 150,000 Nm³/r and electricity consumption by 100,000kWh/year. As a result of the fire, the BTU/lbs efficiency ratio increased.

In 2022, the Company continued to implement projects aimed at increasing energy efficiency and reducing the BTU/lbs ratio.

Thanks to the implementation of numerous optimization projects carried out as part of the EMS, gas consumption was reduced by 500,000 Nm³/r and electricity consumption by 2,000,000 kWh/yr, while maintaining the production level.

In 2021, the plant was operating at full capacity. A number of projects were implemented to increase the energy efficiency of the plant as part of the Energy Management System, which resulted in a reduction in electricity consumption by 1,200,000 kWh/year and natural gas consumption by 25,000 Nm³/year.

In 2020, there were production shutdowns due to the pandemic. In the weeks when a production break was planned, all equipment remained in the so-called stand-by state, i.e. the supply of all energy utilities was ensured, thus reducing the energy efficiency of the processes.

In 2019, thermal energy savings were achieved, reducing the specific consumption of process steam by some types of machines in the amount of 4412 t/year, which translates into reduced consumption of

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

natural gas in the amount of 317,685 Nm³/year and reduction of CO₂ to the atmosphere in the amount of 651 t/year.

The above-mentioned results were achieved thanks to the implementation of daily tasks resulting from the implemented Energy Management System.

The attached table shows the progress of total energy consumption in BTUs (thermal + electrical) per unit of finished product calculated in Lb in the years 2019–2023.

Table: BTU/lb Energy Consumption Index 2019-2023:

2019	2020	2021	2022	2023
5853	6181	5848	5769	6118

Occupational safety

Among all key performance indicators (KPIs) in the area of security prepared for 2023, the following should be mentioned:

Indicator	Value In 2023	Value in 2022	Value in 2021	Value in 2020	Value in 2019.
Accidents (number of accidents at work/OSHA + number of first aid incidents)	43	35	42	34	40
Number of unclosed non-conformities from corporate audit	0	0	0	0	0

Other environmental initiatives

Tire Company Debica S.A. is guided in its activities by the principle of maximizing environmental protection and goes beyond the necessary statutory requirements, as well as using the best practices of The Goodyear Tire & Rubber Company and indirectly supporting industry initiatives aimed at improving quality standards and environmental protection.

Supporting industry initiatives:

- European Tire and Rubber Manufacturers Association (ETRMA)

Tire Company Debica S.A. tries to follow the industry recommendations of ETRMA – European Tire and Rubber Manufacturers Association. The main objective of ETRMA is to represent the regulatory and related interests of European tire and rubber manufacturers both at European and international level.

- Tire Industry Project

Tire Company Debica S.A. also indirectly supports the assumptions of the Tire Industry Project (TIP) initiative of the World Business Council on Sustainable Development (WBCSD).

5.4.2.4. Respect for human rights and diversity management

Content:

- Principles in the area of respect for human rights and diversity management
- The Company's priorities in the field of human rights and diversity management
- Management bases and due diligence procedures
- Results of the Company's policies and activities in this area in 2018-2023

Tire Company Debica S.A. wants to demonstrate in its activities that the company's employees reflect the communities and customers they serve. The Company believes that a diverse workforce is the key to success in the marketplace, and the Company's inclusive culture allows associates to contribute best to a fair environment.

The company strives to meet all standards in terms of respect for human rights and diversity of employees. The Human Rights and Diversity Management Policy applies equally to the Company's authorities, its key managers, as well as to all employees. In particular, this applies to the absence of any discrimination based on gender, age, origin, race, sexual orientation, marital status, disability, political opinions, religion or any other aspect of diversity.

With regard to the characteristics of diversity, such as the field of education or the level of professional experience, the Company has decided to employ the managerial staff and all employees primarily taking into account criteria such as competences and experience of the candidate for a given function.

In 2023, the Management Board of Tire Company Debica S.A. consisted of 3 men, over 50 years old and a woman over 40 years old. On the other hand, the Company's Supervisory Board consisted of 7 men, among whom 3 were aged between 30 and 50, while 4 people were over 50 years old and 1 woman was over 40 years old.

The Company's goal is to cultivate an atmosphere in the work environment that is conducive to maximizing the potential of the company's employees, as well as fostering the spirit of cooperation between different groups of employees.

In the area of respect for human rights and diversity management, Tire Company Debica S.A. is guided by such principles as:

- committing to creating an inclusive workplace where harassment and discrimination have no place;
- all forms of forced labor or human trafficking are prohibited;
- prohibition of the use of children, including child labour;
- freedom of association and membership of organisations (e.g. trade unions) and the right to refuse to join organisations;
- comply with applicable laws and regulations regarding wages and hours worked;
- providing a safe workplace.

The Company's priorities in the field of human rights and diversity management include such phenomena as:

- Discrimination – The Company has a "Zero Tolerance" policy and is committed to maintaining a workplace free from harassment and discrimination based on an individual's status, such as race, color, religion, national origin, gender, sexual orientation, age, disability, or other characteristics protected by applicable law.
- Forced labour – every employee's attendance at work must be voluntary. The use of all forms of forced labour, slave labour or human trafficking is expressly prohibited.
- Child Labor – The Company does not condone the illegal employment or exploitation of children in the workplace.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

- Freedom of Association – The Company recognizes and respects workers' rights and the freedom to join an organization of their own choice or to refrain from joining an organization. Employees who have elected trade unions in accordance with applicable laws and regulations are entitled to negotiate jointly by representatives of their own choosing. No employee is at risk of dismissal, discrimination, harassment, intimidation or retaliation because of his or her membership in a legal workers' association.
- Working Hours and Remuneration – The Company undertakes to comply with all applicable laws and regulations relating to the remuneration that the Company pays to associates and the hours during which they work.
- Safe workplace – The Company cares about the safety and health of its employees. Takes steps to reduce the risk of accidents at work, injury or exposure to health and safety. Specifically, this commitment covers all forms of workplace violence prohibited by company policy.
- Suppliers – The Company strives to do business with suppliers who adhere to similar standards in their relationships with their employees and their own supply chains.

Management bases and due diligence procedures

Tire Company Dębica S.A. applies due diligence procedures at two levels in relation to the area of human rights:

- A) At the level of meeting the requirements set out in the legal order of the Republic of Poland and relevant international regulations.
- B) At the level of the Company's implementation documents.

All activities of Tire Company Debica S.A. are undertaken in accordance with the applicable legal order, in particular acting in accordance with the Labour Code, the Penal Code and the Civil Code, as well as the Act of 3 December 2010 on the implementation of certain provisions of the European Union in the field of equal treatment (Journal of Laws of 2010, No. 254, item 1700).

In addition, in its activities and processes, the Company respects relevant international regulations on respect for human rights.

The Company's main internal documents (due diligence procedures) used to implement the human rights policy in addition to the Work Regulations and the Collective Bargaining Agreement also include, among others:

- The Code of Professional Ethics, which helps employees understand the Company's commitment to adhering to the highest ethical and legal standards in conducting business, as well as to facilitate proper assessment of the situation and appropriate behavior.
- A human rights policy that regulates basic human rights issues: discrimination, forced labour, child labour, freedom of association, working hours and wages, health and safety, suppliers.
- The "Zero Tolerance" policy describes the Company's approach to discrimination, harassment and violence and how to report such behavior. The Company has a "Zero Tolerance" policy for all acts of harassment and discrimination based on race, color, religion, nationality, gender, sexual orientation, age, disability or any other reason specified by law by employees or persons outside the company.
- A supplier code of conduct that contributes to the Company's ability to do business with reputable business partners adhering to the Company's ethical standards and business practices. The Code is available to any business partner of the Company and includes provisions regarding the requirement of full compliance with applicable laws and regulations, in particular with regard to child labour, remuneration and working time, prohibition of discrimination and forced labour, environmental protection and freedom of assembly, care for safe and healthy working conditions, guidelines on gifts, gratuities and prevention of corruption.

A complete list of documents can be found in the relevant departments responsible for updating and complying with them.

A system for reporting concerns or violations of applicable rules

The company supports an organizational culture in which asking questions, reporting doubts and threats by employees is something natural and desirable. The Company's activities encourage employees to actively participate in the discussion about their work environment.

All employees who become aware of a violation of the Company's policies or suspect a violation of these rules should immediately report them using one of the available reporting channels. Employees should also report situations when they are instructed or coerced to behave unethically or illegally.

Every employee has a duty to speak up when they are aware of a potential policy violation. You can make your voice heard by asking questions, drawing attention and reporting irregularities. Violations of company policies or any other unethical behavior of which the employee is aware should be reported.

There are several ways to report breaches to the Company:

- information to the supervisor, Human Resources, Legal, Internal Audit or Compliance and Ethics Department;
- online helpline available on the <http://goodyear.ethicspoint.com> website with a version available in Polish,
- Toll-free telephone hotline available at: 800 005187. Open 24 hours a day, 7 days a week.

The Company prohibits any form of retaliation or repercussion against employees who express in good faith their concerns about potential violations of the law or company policies.

Results of the Company's policies and activities in this area in the years 2018-2023.

In 2023 The company undertook initiatives for human rights and supporting diversity. These include, but are not limited to:

- Provide each new employee with a copy of the Code of Professional Conduct and receive confirmation that the employee agrees to act in accordance with the policies and applicable provisions contained in the Code and to notify any violations or suspected violations of these laws.

Between 2018 and 2023, all new employees received a copy of the Code of Professional Ethics.

- Annual certification confirming the knowledge and application of the principles of the Code of Professional Ethics by office workers. Every year in December, employees are required to confirm their knowledge of the Code of Professional Ethics and to make disclosures about irregularities and conflicts of interest through a special electronic tool.
- Goodyear Hotline Campaign

Training of employees on the principles of operation of the Goodyear Integrity Hotline entitled "A report submitted... And what happens next?" The training session was supplemented with a communication campaign consisting in the distribution of, among others, posters promoting the application channel (phone number and website address, also encoded in a QR code) on the premises of the Debica S.A. Tire Company.

- Compliance Week

On November 20-24, 2023, a week dedicated to ethics and compliance issues (the so-called "Compliance Week") was held in the Europe East North region, to which Tire Company Debica S.A. belongs. As part of the activity, the following information sessions were held, among others:

- **"Leading With Integrity: Ethical Conduct And Ethical Decision Making"**

A session devoted to the values set out in the Code of Professional Ethics, the observance of which is a standard in the Goodyear group of companies, with particular emphasis on compliance with internal policies, reporting conflicts of interest, and rules regarding gifts and entertainment.

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

- **"Cyber security"**

Outline key user safety principles and best practices for information and data protection, including Goodyear's social media policies. An in-house cybersecurity expert presented the current phishing attacks to the participants.

- **Session on cautious internal communication entitled "Records do matter"**

A session led by Goodyear's in-house data protection lawyer to make employees aware that every element of our work is a body of evidence. During the meeting, the benefits of clear and accurate communication were presented, also highlighting the impact that business communication can have on our reputation, including potential legal disputes.

- **Interactive quiz on the Goodyear Integrity Hotline**

An educational quiz aimed at familiarizing employees with the principles and how the reporting hotline works.

- **Training "Raising awareness of compliance" for production employees of Tire Company Debica S.A.**

Two-hour lecture sessions for middle managers raising awareness about compliance standards, caring for a work environment free from violence, discrimination, harassment and harassment.

5.4.2.5. Anti-corruption

Content:

- The Company's anti-corruption priorities
- Governance bases and anti-corruption due diligence procedures
- Results of the Company's policy and activities in this area in 2019-2023

Tire Company Debica S.A. is guided in its activities by the principle of operating in full compliance with the applicable laws and internal regulations in the field of counteracting corruption.

The Company's priorities in this area are:

- striving to eliminate any cases of corruption in the company;
- conducting awareness-raising activities for employees, including educational campaigns and regular training in ethics, anti-corruption and compliance;
- raising awareness of the obligation to know key documents on professional ethics by the company's employees and suppliers.

Governance bases and anti-corruption due diligence procedures

With regard to the area of anti-corruption, Tire Company Debica S.A. applies due diligence procedures at two levels:

- A) At the level of meeting the requirements set out in the legal order of the Republic of Poland.
- B) At the level of the Company's management norms and standards.

The main documents defining the area of corruption prevention are:

- The Code of Professional Ethics, which helps the Company's employees understand the company's commitment to adhering to the highest ethical and legal standards in conducting business, as well as to facilitate proper assessment of the situation and appropriate behavior.
- A supplier code of conduct that helps ensure that the Company works with responsible partners who are also familiar with the Company's ethical standards.
- A global procurement policy that sets out the requirements for all procurement activities performed as part of the procurement process for all materials, equipment, goods and services.

Tire Company Dębica S.A.

2023 Management Board's Report on the Company Operations

Anti-corruption:

- Anti-Corruption Policy, which includes specific rules of conduct on among others topics: cooperation with third parties, donations, gifts, travel, meals, and reporting abuse.
- The International Anti-Corruption Compliance Operations Guide, which outlines measures and procedures to help ensure compliance with the anti-corruption policies of Goodyear Tire & Rubber and its affiliates.
- The Anti-Fraud Policy is established to support the development of controls designed to prevent and detect fraud against Goodyear Tire & Rubber Company and its subsidiaries, as well as the operation of the "hotline" (a telephone line to which employees can report reports of corruption/fraud) and how to report abuse online.
- "Giving and Receiving Gifts/Incurring and Using Entertainment Expenses" are guidelines for giving/offering gifts and entertainment expenses to third parties.

Insider Dealing:

- Regulations on confidential information and obligations of persons performing managerial functions and persons closely associated with them, adopted in order to ensure compliance by the Company, the Management Board, the Supervisory Board and employees with Regulation (EU) No. 596/2014 on market abuse and the delegated and implementing acts issued on the basis thereof.
- Memorandum on current disclosure obligations and obligations of persons having access to confidential information in Tire Company Dębica S.A. The document contains important information on the obligations of employees, associates and persons performing managerial functions of Tire Company Dębica S.A. in connection with the fulfilment of disclosure obligations of a company listed on the Warsaw Stock Exchange.

A complete list of documents can be found in the relevant departments responsible for updating and complying with them.

5.5. Compliance with the European Union Taxonomy

In connection with the obligations arising from Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, regarding the disclosure of information on the manner and extent to which the activities of an enterprise are related to environmentally sustainable business activities, the Company has analysed its business activities based on the content of Commission Delegated Regulation (EU) 2023/2486, including Annex II to that Delegated Regulation, and Delegated Regulation (EU) 2021/2139, including Sections 3.18 to 3.21 and 6.18 to 6.20 of Annex I, as well as Sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II to that Delegated Regulation (the delegated regulations referred to above collectively are hereinafter referred to as the 'Delegated Regulations').

The analysis consisted in verifying the verbal description of business activities contained in the Description of Activities section in the above-mentioned appendices to the Delegated Regulations and, in the alternative, the NACE codes indicated in these descriptions in relation to the business activities conducted by the Company and being the subject of verification.

The Company informs that the Company's analysis of its business activities has led to the conclusion that none of these economic activities constitutes a "Taxonomy-eligible economic activity" (and consequently each constitutes a "Taxonomy-eligible economic activity") as defined in Commission Delegated Regulation (EU) 2021/2178.

Therefore, in order to comply with the obligations under Commission Delegated Regulation (EU) 2021/2178, including the obligation to provide the qualitative information referred to in point 1.2 of Annex I to that Delegated Regulation, the Company shall only provide information on the total key performance

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

indicators (KPIs) for the entire business activities of the Company, i.e. the total turnover, capital expenditures and operating expenses of the Company.

Table 1 - Turnover

Non-Taxonomy-eligible activities	Turnover	Part of the turnover, year 2023
Turnover from non-Taxonomy-eligible activities	2 992 411	100%

Table 2 - Capital expenditures (CapEx)

Non-Taxonomy-eligible activities	Capital expenditures	Percentage of capital expenditures, 2023
Capital expenditure from non-Taxonomy-eligible activities	142 382	100%

Table 3 - Operating expenditure (OpEx)

Non-Taxonomy-eligible activities	Operating expenditure	Percentage of operating expenses, 2023
Operating expenditure from non-Taxonomy-eligible activities	2 351 601	100%

The Company's Management Board is aware of issues related to the impact of climate change. At present, however, this issue has no material impact on the financial statements, and its future effects on the Company's operations and business plans are difficult to predict. The Board of Directors will continue to monitor issues related to the impact of climate change on its business and take appropriate action as the situation develops.

5.6. Principles on the basis of which the non-financial statement was prepared

For the purpose of preparing this "Statement on non-financial data", Tire Company Debica S.A. has carried out an internal analysis of its activities, due diligence policies and procedures. Internal analyses were carried out, among others, on the basis of international standards of the Global Reporting Initiative (GRI) version G4.

As a result, in accordance with Article 49b(8) of the Accounting Act, the Company selected its own policies based on non-financial aspects to the extent that they are necessary to assess the Company's development, results and standing.

6. Other information

A)

In 2023, the value of transactions with related entities of the Goodyear Group in terms of sales of products, goods and services amounted to PLN 2,722.5 million, and in terms of sales of fixed assets amounted to PLN 6.9 million.

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

The value of the transactions related to the purchase amounted to PLN 744.1 million. In the financial year covered by the financial statements, the Company did not conclude any material transactions on terms other than arm's length with related parties.

B)

The company did not provide sureties or guarantees and did not take out loans. The Company used overdrafts. Liabilities in this respect amounted to zero at the end of 2023. In 2023, agreements with three banks for overdrafts of up to PLN 145 million were in force.

DETAILS OF OVERDRAFTS GRANTED

Name (firm) of the entity with an indication of the legal form	Loan amount according to the agreement		Interest rate	Repayment deadline	Security
	in PLN thousand	currency			
BANK PEKAO S.A.	60 000	£	WIBOR 1M + 1.30%	31.10.2025	power of attorney for bank accounts, declaration of voluntary submission to enforcement pursuant to Article 777 § 1 of the Code of Civil Procedure.
BNP PARIBAS	40 000	£	WIBOR 1M + 1.00%	30.09.2024	power of attorney for bank accounts, declaration of voluntary submission to enforcement pursuant to Article 777 § 1 of the Code of Civil Procedure.
MBANK SA	45 000	£	WIBOR ON + 1.60%	27.09.2024	power of attorney for bank accounts, declaration of voluntary submission to enforcement pursuant to Article 777 § 1 of the Code of Civil Procedure.

In 2023 The Company issued five short-term loans to Goodyear S.A. with its registered office in Luxembourg. Detailed information on settlements related to loans to Goodyear S.A. in 2023 is provided in the table below:

Contract Date	10.12.2021	24.06.2022	23.09.2022	09.12.2022	20.12.2022	20.12.2022
maturity (loan repayment)	09.12.2022	23.06.2023	22.09.2023	08.12.2023	19.12.2023	02.01.2023
contractual remuneration	WIBOR1Y + 0.45%					
loan amount (in PLN thousand)	105 000	275 000	70 000	105 000	100 000	50 000
Interest realized in 2023 (in PLN thousand)	186	9 383	4 238	7 405	6 809	144
Loan principal as at 31.12.2023 (in PLN thousand)	0	0	0	0	0	0
interest accrued as at 31.12.2023 (in PLN thousand)	0	0	0	144	308	0

Tire Company Debica S.A.

2023 Management Board's Report on the Company Operations

Contract Date	23.06.2023	20.09.2023	22.09.2023	08.12.2023	19.12.2023	Total
maturity (loan repayment)	21.06.2024	20.09.2024	01.04.2024	01.03.2024	19.12.2024	
contractual remuneration	WIBOR1Y + 0.45%					
loan amount (in PLN thousand)	175 000	150 000	70 000	105 000	200 000	
Interest realised in 2023 (in PLN thousand)	5 186	1 819	822	0	0	35 992
Loan principal as at 31.12.2023 (in PLN thousand)	175 000	150 000	70 000	105 000	200 000	700 000
interest accrued as at 31.12.2023 (in PLN thousand)	927	795	371	413	444	3 402

The financial resources at our disposal allowed us to meet our liabilities on time. The Company did not issue any debt or equity securities in the period covered by the report.

C)

In 2023, the Company did not make any investments in securities, financial instruments or real estate.

D)

The company did not publish its financial results forecast for 2023.

E)

The Company is a party to the following significant agreements:

- On 1 February 2018, the Company entered into a framework sale agreement with Goodyear Dunlop Tires Operations S.A. of Colmar-Berg, Luxembourg, ("Goodyear", now known as Goodyear Operations S.A.), (i) a framework sale agreement and (ii) a framework resale agreement (the "Agreements"). The agreements have been in force since 1 January 2018, as announced by the Company in the current report CR 2/2018.
- On the same day, by mutual agreement of the parties, the existing Technical Support and Licensing Agreement of 14 August 2014 concluded by the Company with Goodyear S.A. with its registered office in Colmar Berg, Luxembourg, about the conclusion of which the Company informed in Current Report No. 17/2014 of 14 August 2014, and the service agreement concluded by the Company with Goodyear Dunlop Tires Operations S.A. with its registered office in Colmar were terminated Berg, Luxembourg on 1 January 2006, as announced by the Company in the current report RB 2/2018.
- Loan agreements granted to Goodyear S.A., of which the Company informed in current reports No. 9/2023, 28/2023 and 35/2023.

The Company is not aware of any agreements concluded between shareholders, insurance, collaboration or cooperation.

F)

In 2023, there were no changes in the basic principles of business management.

G)

Information on the remuneration of the Company's managers and supervisors:

Salaries (in PLN thousand)	2023	2022
I. Remuneration paid or due to members of management bodies, including:	3 550,4	3 820,0
1. Remuneration		
Leszek Szafran - President of the Management Board (until 05.12.2023)	1 419,9	1 434,1
Ireneusz Maksymiuk – President of the Management Board (from 05.12.2023) Member of the Management Board (until 05.12.2023)	1 022,2	1 054,3
Michał Mędrak - Member of the Management Board ¹⁾	0,0	184,0
Mirosław Maziarka - Member of the Management Board ²⁾	0,0	560,0
Marko Nahtigal – Member of the Management Board ³⁾	1 067,0	553,9
Anna Winiarska-Miśkowiec – Member of the Management Board ⁴⁾	41,3	33,7
II. Remuneration paid or due to members of supervisory authorities, including:	650,0	600,6
1. Remuneration		
Janusz Raś - Member of the Supervisory Board	153,5	109,4
Andrzej Kowal - Independent Member of the Supervisory Board	210,6	194,2
Agnieszka Modras - Independent Member of the Supervisory Board	174,2	155,3
Marek Piekoś - Member of the Supervisory Board	0,0	141,7
Krzysztof Pieniążek - Member of the Supervisory Board	111,7	0,0
TOGETHER	4 200,4	4 420,6

¹⁾ Remuneration for the period of serving as a member of the Management Board from 1 January to 28 February 2022

²⁾ Costs incurred by the Company on the basis of received invoices regarding remuneration for work in connection with employment by Goodyear SA Luxembourg for the period of serving as a member of the management board from 1 January to 29 April 2022

³⁾ Costs incurred by the Company on the basis of invoices received regarding remuneration for work in connection with employment by Goodyear Slovenija d.o.o. for the period of serving as a member of the management board from 29 April to 31 December 2022 and from 1 January 2023 to 31 December 2023

⁴⁾ Costs incurred by the Company on the basis of received invoices for remuneration in connection with employment by Goodyear Polska Sp. z o.o. for the period of serving as a member of the management board from 3 March to 31 December 2022 and from 1 January 2023 to 31 December 2023

Other members of the Supervisory Board did not receive any remuneration.

H)

As at the date of publication of the interim report, none of the persons managing and supervising the Company held any shares in the Company or rights thereto.

I)

The Company is not aware of any agreements as a result of which there may be changes in the proportions of shares held in the future.

J)

There were no significant events related to previous years that would have a significant impact on these financial statements .

K)

In 2023, there was no purchase or disposal of treasury shares.

L)

Significant court proceedings in 2023:

On October 4, 2022 The Company has received a copy of the lawsuit filed by Lemuria Partners Sicav P.L.C. ("Lemuria") to repeal certain resolutions of the General Meeting adopted by the Annual General Meeting of the Company on June 30, 2022 (the "AGM"). The subject of the lawsuit filed by Lemuria is the repeal of the following resolutions of the AGM:

1. Resolution No. 7 of the Ordinary General Meeting on the distribution of profit,
2. Resolution No. 8 of the Ordinary General Meeting on acknowledgment of the performance of duties by the Member of the Company's Management Board in 2021,
3. Resolution No. 19 of the Annual General Meeting on acknowledgment of the performance of duties by a Member of the Supervisory Board of the Company in 2021.

The Management Board informs that the content of the challenged resolutions was published by the Company in the current report no. 15/2022 of June 30, 2022.

On September 13, 2023, the Regional Court in Rzeszów, VI Commercial Division issued a judgment of first instance dismissing in its entirety the action brought by Lemuria Partners Sicav P.L.C. The case is currently at the stage of appeal proceedings, and therefore it is not finally concluded.

Signatures of the Management Board of T.C. Dębica S.A.

Ireneusz Maksymiuk

President of the Management Board, Finance Director

Anna Winiarska-Miśkowiec

Member of the Management Board, Senior Legal Counsel

Marko Nahtigal

Member of the Management Board, Production Director
